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NEWS SUMMARY

GENERAL

Islamic rule poll plan in Iran

Ayatollah Khomeini's provisional Premier yesterday outlined a peaceful solution to the Iranian crisis but insisted that the Shah-appointed Prime Minister Bakhtiar must resign first.

Dr. Mehdi Bazargan told his first public meeting in Tehran that his plans included a referendum on forming an Islamic republic. But he warned that strikes would continue until Dr Bakhtiar resigned. Page 2

In Washington, Defence Secretary Harold Brown conferred with President Carter before beginning a Middle East tour designed to stress the U.S. commitment to stability in the region whatever happens in Iran.

U.S. fears of long Cambodia war

The U.S. State Department said it was seriously concerned that the fighting in Cambodia (Kampuchea) could develop into a long conflict, partly because it feared that China might attack Vietnam, which backs the rebel forces.

Vietnam has accused China of provoking more than 60 border incidents in the first eight days of February and causing tension along the border.

Murder charge

An unemployed labourer has appeared in Belfast magistrates' court charged with the murders of former prison officer Patrick Mackin and his wife Violet in their home in North Belfast last week.

Lonely deaths

A coroner criticised Merseyside Social Services Department over the lonely deaths of two elderly spinster sisters whose bodies were not found for six weeks.

Uganda tension

Ugandan authorities are cracking down on what the official radio in Kampala calls subversive elements around the capital. It follows widespread acts of sabotage last week when power supplies were cut.

Fishing dispute

Diplomatic tension mounted between Spain and Morocco following the arrest of at least 17 Spanish trawlers by Moroccan Navy patrol boats for alleged illegal fishing.

£1m player

Trevor Francis became Britain's first £1m footballer when he left Birmingham City for Nottingham Forest. Francis, who joined Birmingham nine years ago as a 16-year-old, will receive nearly £50,000.

Of mice and men

A builder from Welling, Kent, who was alleged to have put 20 rats in his former girlfriend's home, was cleared by an Old Bailey jury on three counts of damaging household property and one of stealing her cat. News Analysis, Page 3

Briefly . . .

By-elections for the two safe Conservative seats at Knutsford and Clitheroe will be held on March 1. Page 3

Playwright and actor Philip King, who brought two hit plays to London on successive nights, has died, aged 74.

Otterhounds from a recognised pack will be given free registration by the Kennel Club to help keep the breed alive. Dog breeding Page 19

Surgeons at Bensham General Hospital, Gateshead, have successfully transplanted a fallopian tube into a sterilised woman.

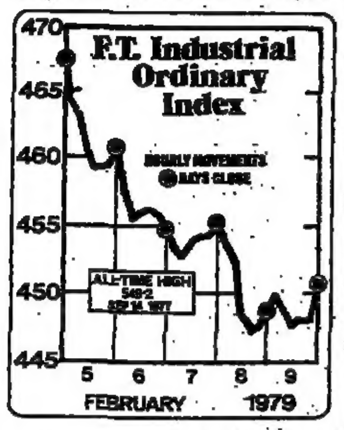
Tory MP Reginald Maudling was showing slight improvement in a London hospital where he has been admitted with acute hepatitis.

Appeal court in Milan increased a jail sentence on a convicted Red Brigades guerrilla leader from seven years to 12 years.

BUSINESS

Equities up 1.8; Gold falls $7\frac{1}{2}$

● EQUITIES drifted during the day, but after the official close a small demand for leading industrials prompted a general



improvement which left the FT ordinary index 1.8 up at 450.7. Gold shares continued to fall and the Gold Mines index lost 4.6 to 174.0.

● GILTS reacted to exhaustion of the Government long tap stock and gains of ½ in longs and ¼ in shorts were made. The Government Securities index closed 0.16 up at 64.80.

● STERLING fell 30 points to $2.0020 and its trade-weighted index remained unchanged at 63.4. The dollar's depreciation widened to 8.7 per cent from 8.6.

● GOLD fell $7½ in London, and in New York the Comex February settlement price was $244.20 ($242.90).

● WALL STREET closed 3.55 up at 822.42.

● STOCK EXCHANGE rule book has been referred to the Restrictive Practices Court following the rejection by the Government of an appeal by the Stock Exchange, backed by the Bank of England, that the exchange be outside the scope of the Restrictive Trade Practices Act. A hearing is expected in late 1980 or early 1981. Back Page

● TARIFF for Talisman, the Stock Exchange computerised bargain checking system, will only be reduced if the service proves cheaper to run than the estimates so far, the Stock Exchange Council has warned. Page 3.

● INSURANCE Committee of the New York State Senate has lodged a challenge to the proposed New York insurance exchange, which, if successful, could delay or stop altogether the exchange's launch. Back Page

● EEC Commission has revised its proposals for farm price arrangements in a bid to facilitate introduction of the European Monetary System, apparently yielding to pressure from West Germany. The new proposals will be put to EEC farm Ministers in Brussels on Monday. Page 2

LABOUR

● BSC faces considerable opposition in its attempts to close iron and steel making at Corby, the chairman of the TUC steel industry committee, Mr. Bill Sirs, has warned. Back and Page 3

● FALMOUTH SHIPREPAIR workers are to meet next week to decide on action to take over redundancies, when British Shipbuilders closes the Cornish yard. Page 24

● ROBERT MAXWELL has offered to use cash from his Pergamon Press business to help mount a £1m rescue of Kirkby workers' co-operative. Page 3

● LE NICKEL, the French nickel producing group, is raising its prices in line with those announced by International Nickel of Canada last week.

● ALCAN ALUMINIUM (UK) pretax profits for 1978 fell from £24.7m to £11m, because of insufficient sales and delayed recovery in demand. Page 20 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 12pc 1998	£87½	+ ½
Averys	220	+ 19
Baker Perkins	162	+ 7
Brown (J.)	392	+ 6
Caledonian Hldgs.	107	+ 7
Channel Tunnel	62	+ 7
County & District	145	+ 4
Intl. Thomson	331	+ 10
MFI Furniture	215	+ 9
Milford Docks	167	+ 12
Norwest Holst	116	+ 10
Plaxton's	121	+ 4
Scottish Agricultural	193	+ 10
Status Discount	232	+ 5
Siebens (UK)	258	+ 18
Afrikander Lease	260	+ 20
Pancontinental	£10½	+ 1½

FALLS

Arbuthnot Latham	140	− 8
Caffyns	99	− 5
Provident Financial	90	− 6
Richards	20	− 2
Stenhouse	82	− 6
Wormalds, Walker	17	− 3
Ayer Hitam	390	− 10
Buffels	958	− 18
Gold Mines of Kalgoorlie	84	− 5
President Brand	922	− 36
Western Deep	849	− 55

Unions agree to recommend 16% for water workers

BY PAULINE CLARK, LABOUR STAFF

Prospects of avoiding a major clash between the Government and the 33,000 water and sewage workers improved significantly yesterday when unions agreed to recommend strongly a new 16 per cent pay offer.

The offer, described by employers as 3.7 per cent above the Government's pay guidelines, is likely to strengthen the resolve of 1.5m other public service workers to fight hard for a special deal for themselves.

Hospital ancillary workers, ambulancemen and more than 1m local authority manual workers are already engaged in industrial action in defiance of Government pay policy. The hospital staff and council workers both rejected 8.8 per cent pay offers earlier this week.

Yesterday's 15.95 per cent offer to the water workers consists of a 9 per cent increase in basic rates, with 6.9 per cent coming from what is designed to be a self-financing efficiency bonus. In total it will add £20m to the industry's wages bill and 1 per cent to water charges.

The bonus is aimed at reducing the 12-15 per cent absenteeism in water authorities.

But is is not yet clear how far the 16 per cent will be seen as "the going rate" which other public service workers have committed themselves to achieving.

Mr. Ron Keating, a leading water workers' negotiator and assistant general secretary of the National Union of Public Employees, said the new offer would obviously be used as a basis for other negotiations.

Mr. Charles Donnet, national officer in the General and Municipal Workers' Union and leader of the council workers' trade union side, emphasised that the water workers' links were with the gas and electricity supply workers rather than local authority employees.

Concessions

In percentage terms, the water workers' offer is only a marginal improvement on the level which failed to win the union leaders' acceptance last Tuesday.

But Mr. Eddie Newall, national officer in the GMWU and secretary of the trade union side, said there were "significant improvements" in some areas.

New concessions included bringing forward full consolidation of the Phase One pay supplement from April to this month; inclusion of light duty employees in the efficiency scheme, and £8.50 in back pay from early December as an interim measure before introduction of new grading.

One major concession was said to involve relaxation of certain stringent conditions attached to the efficiency bonus.

Sir Robert Marshall, chairman of the joint industrial council, said there would be "commonsense and no hanky panky" in implementing the £5 bonus for 40 hours work a week.

If a worker had good reason for being late for work, he would not lose the bonus.

Previous offers of 9.3 per cent and 14 per cent had been rejected by the water workers partly because of fears about the efficiency bonus terms.

NUPE, whose water works members have been taking unofficial action in some parts of the country, will present the offer to a water national committee meeting on Monday.

This will be followed by an executive council meeting before the offer is put out for voting by the branches.

The GMWU, biggest union in the industry, and the Transport and General Workers' Union will hold reconvened water-

Continued on Back Page
Cabinet-TUC pact and ambulance strike threat Page 4

Heavy selling of gilts by Bank as markets settle

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BANK of England sold further substantial amounts of gilt-edged stock as the markets started to settle at new levels in response to the rise in Minimum Lending Rate on Thursday.

The Council of the Building Societies Association, as expected, decided to leave the mortgage rate unchanged at its present level of 11¾ per cent in spite of the MLR increase.

After the council meeting, Mr. Ralph Stow, chairman of the association, said: "Having looked at the inflow of funds in January and the early days of February we found them reasonable and did not feel an immediate change in the rate essential."

The clearing banks deferred a decision on increasing their rates until after the weekend in order to assess the money market's response. Base lending rates are expected to be raised on Monday or Tuesday, probably in line with MLR by 1½ points up to 14 per cent.

The markets' response yesterday suggested that the City's fears about the immediate monetary outlook had been calmed for the time being by Thursday's move. But the tone is likely to be nervous until the Government's fiscal and monetary reaction to inflationary pressures becomes clearer in the budget.

The long-dated tap stock, Treasury 12¾ per cent 2003-05, was exhausted yesterday morning, and the short-dated tap was sold at a price of 93½ per cent, having been offered for sale on January 17 at 97½ per cent.

It is likely that at least £400m net of stock has been sold in the last two days, with the gross total larger through stock switching.

The Bank decided not to issue a replacement long tap, apparently in order to allow the market to become re-established at new levels. There are no signs of the market racing away, with gains of ½, at most, among long-dated stocks.

The calmer mood was reflected in the weekly Treasury bill tender, where the average rate did not catch up with the rise in MLR. The rate increased by 0.62 per cent to 13.12 per cent, which under the old market-related formula, abandoned last May, would have indicated an MLR of 13¾ per cent, not 14 per cent.

There were some favourable financial statistics yesterday, with the announcement by the Treasury that central government repaid an estimated £1.5bn during January, compared with £1.15bn a year ago.

The January surplus, reflecting heavy seasonal tax pay-

Continued on Back Page
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New move in EPC bid battle

BY CHRISTINE MOIR

THE DUTCH property group, Wereldhave Beleggingsmaatschappij, which is locked in a bid battle for English Property Corporation, yesterday moved its theatre of war to Canada, where EPC has its best asset, an investment in the Trizec Corporation.

In a move which appears designed to win Canadian Government approval for the bid and to neutralise at least one other possible bidder for EPC, the Bronfman family, Wereldhave has made a deal with Carena Bancorp, the company which controls Trizec and is in turn controlled by the Bronfman's vehicle, Edper Investments.

Wereldhave has agreed that if its bid for EPC succeeds it will merge EPC's present direct and indirect interests in Trizec with Carena's. In return it will have a signed agreement that management will be equally shared.

At present EPC owns 49.9 per cent of Carena, which in turn owns 60 per cent of Trizec. In addition EPC has a direct stake of 21 per cent in Trizec. This gives it just over 50 per cent of Trizec, but not effective control since that is vested in Carena.

Wereldhave intends to hand over the 21 per cent to Carena, which would then have 81 per cent of Trizec, while retaining only the existing 49.9 per cent in Carena. This would reduce EPC's effective interest in Trizec from just over 50 per cent to just under 40 per cent.

In return the Dutch group gains Carena's co-operation in the bid and the likelihood that the deal will pass the Canadian Foreign Investment Review Board, where the present 50 per cent holding may have been an obstacle.

Another obvious objective is that the amity between Wereldhave and Carena will deter Olympia and York, another property company interested in EPC, from continuing with its talks with the EPC board.

Last night these talks did not seem close to a conclusion and no statement was forthcoming from Olympia's advisers, Rothschild.

COMPANY CANNOT SURVIVE BREAK IN OUTPUT—VARLEY

BL strike call rejected 2-1

BY ARTHUR SMITH AND IVOR OWEN

BL CARS workers' votes against their shop stewards' call for a strike outnumber those in favour by 2 to 1, the company said last night.

But the gravity of the crisis still confronting the State-owned concern was emphasised in the Commons yesterday by Mr. Eric Varley, Industry Secretary.

The company was in no position to survive a long break in production, he said. He urged the workforce to weigh carefully "the serious consequences" of a strike.

Voting at mass meetings yesterday showed further shop-floor acquiescence to the group's refusal to award parity payments until they can be financed through higher productivity.

The company maintained that only six plants with fewer than 30,000 workers had voted for a strike, with some 27 plants and 66,000 employees against. One small factory will vote on Monday.

The verdict leaves the 20,000 workers at Longbridge, Birmingham, who walked out on Wednesday, increasingly isolated. However, Mr. Derek Robinson, the convener, insisted last night that the strike would go on.

The company has appealed to shop stewards, who are to meet in Coventry on Monday, to consider action "to reflect the clearly stated wishes of the workforce not to strike." A total stoppage by such an obviously divided workforce would be unlikely.

Mr. Varley: serious consequences

The difficulty will be to persuade the Longbridge men who are among the lower paid in the group, to return, and to prevent other plants, such as the Drews Lane components factory from acting unilaterally.

Labour MPs joined Conservatives in insisting on limiting further taxpayers' money for BL.

Mr. Varley said that in considering further financial provision for BL later in the year the Commons would have to take into consideration "everything that has taken place now and over the next few weeks."

Sir Leslie Murphy, chairman of the National Enterprise Board, BL's principal shareholder, emphasised last night that parity payments must be financed from productivity not borrowings.

In mass meetings, strong majorities of workers at the Rover and Triumph plants rejected strike recommendations from their stewards. Those companies offer the top wages in BL and workers stand to gain little from the parity programme.

A good guide to shop-floor opinion was provided at the Cowley body plant, Oxford, where a ballot of the workers showed 1,887 in favour of the strike and 3,598 against.

The Cowley workers are among the lower-paid in the group and would have stood to gain up to £10 a week from the parity deal.

Varley statement Page 4
Man of the Week Back Page

HOW THEY VOTED

PLANTS IN FAVOUR (6)

	Workforce
Longbridge, Birmingham	20,000
Drews Lane, Birmingham	3,500
Llanelli Radiators	2,000
Common Lane, Birmingham	1,780
SU Fuel Systems, Birmingham	800
Bargoed Fabricators, S. Wales	200

PLANTS AGAINST (27)
Principal locations:

	Workforce
Pressed Steel Fisher, Oxford	7,000
Cowley assembly, Oxford	5,500
Rover, Solihull	9,400
Jaguar, Coventry	7,000
Triumph, Coventry	6,250
Acocks Green, Birmingham	4,000

£ in New York

—	Feb. 9	Previous
Spot	$2.0010-0025	$2.0000-0001
1 month	0.56-0.51 dis	0.56-0.51 dis
3 months	1.67-1.63 dis	1.66-1.61 dis
12 months	5.39-5.19 dis	5.30-5.10 dis

OPEC may meet to raise oil price

BY RICHARD JOHNS

THE MAJORITY of the members of the Organisation of Petroleum Exporting Countries want an extraordinary conference to decide on a further rise in the basic oil price.

Algeria, Libya, and Nigeria are in the vanguard of the movement to raise prices above the new level which came into force on January 1, according to oil industry executives. They argue that market conditions and spot market prices resulting from the stoppage of Iranian exports have made nonsense of the 5 per cent increment set for the first quarter of 1979.

Saudi Arabia is opposing the demand for an extraordinary conference even though it is charging a full 10 per cent above the 1978 price level for the extra 1m barrels a day [illegible] in excess of the Kingdom's normal 8.5m b/d ceiling.

Major chemical companies are preparing to introduce further, hefty price increases on many of their products following this week's dramatic rise in spot market prices for naphtha — a basic petrochemical feedstock. Back Page

Sheikh Ali Khalifa al Sabah, Kuwaiti Minister of Oil, flew to Riyadh on Wednesday for consultations with Sheikh Ahmed Zaki Yamani, his Saudi opposite number, but he is thought to have failed to obtain backing from the Kingdom for an extraordinary conference.

The Saudi view is that the spot market accounts for only a small proportion of the total flow of crude oil—the bulk of it is covered by long-term supply contracts.

The shortfall in global supplies is currently estimated to be about 2m b/d. Increased output by Saudi Arabia and Iraq, which is producing at a record level of 3.2m b/d, and others has made good the greater part of the loss of Iranian exports of 5m b/d.

Basic OPEC prices are scheduled to rise by another 3.8 per cent in the second quarter of this year, 2.3 per cent in the third and 2.7 in the fourth—making an increase of 14.5 per cent above the 1978 level and an average one of 10 per cent for the full year.

Despite its opposition to the convening of an OPEC extraordinary conference, however, Saudi Arabia is feeling very exposed and vulnerable because of the turmoil in Iran. The possibility cannot be ruled out that the Kingdom may be forced to capitulate to a demand for an extra ordinary conference.

Iran consortium fears Page 2

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FEATURES

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OVERSEAS NEWS

Compromise saves wheat conference from breakdown

BY BRIJ KHINDARIA IN GENEVA

A LAST-MINUTE compromise between the Common Market and the United States to prevent the world wheat price from rising higher than about $200 a tonne has given a new lease of life to the wheat conference in Geneva although breakdown is still not ruled out.

To make room for further negotiations, the conference, which should have ended last night, is to be extended by successive 24-hour periods in further attempts to conclude an international wheat pact. Delegates will meet for informal talks through the weekend and more meetings are planned for Monday and Tuesday.

The proposed pact would stabilise the world wheat market by buying wheat for storage in nationally-held reserve stocks when prices were below certain agreed points and by selling when prices were above an agreed maximum. The compromise between the U.S. and the Community concerns the upper price point.

Although details have yet to be confirmed, the U.S. appears to have agreed to give up its earlier insistence on obtaining an upper price level of $215 a tonne and is willing to accept a price level of $200 a tonne. This is slightly higher than the $195 suggested earlier by the Common Market. Developing countries still say they want this price point to be $155.

A dispute continues between developing nations and the U.S. and Common Market about the lower price points at which wheat would be bought for storage. Developing countries are seeking levels no higher than $115 and $130 a tonne, while the U.S. and EEC have bilaterally agreed to $125 and $145 a tonne.

The other key issue awaiting compromise is the size of reserve stocks to be held separately by each signatory country. Total offers so far add up to only 19m tonnes compared with a maximum figure of 15m tonnes for total world stocks suggested by the EEC and 30m tonnes suggested by the U.S. The U.S. has worked out a detailed share-out formula taking account of the size of the wheat trade, variations in production and criteria based on gross national product.

It is understood that even if the U.S. and the Community settle all their differences, agreement could still falter over the demands of developing countries for preferential treatment, exemption from certain rules, and financial aid to pay for reserve stocks.

Argentina and Australia, both major producers, have traditionally not held reserve stocks, while many developing nations think that they will be too expensive. The U.S. and Canada want the maximum and minimum price range to be fixed at a high level, while developing nations are seeking a much lower range.

In contrast to Thursday delegates were more optimistic about the chances for a new arrangement last night. But Mr. Arthur Dunkel, the conference chairman, said it was still too early to predict the outcome.

Prospects improve for BP-Veba exchange

BY ADRIAN DICKS IN BONN

PROSPECTS for the DM800m exchange of interests between Deutsche BP and Veba improved suddenly last night. The Federal Cartel Office in Berlin announced that it had completed its review of the letter of intent between Deutsche BP and Ruhrkohle and that the two companies had agreed to withdraw the points to which the office objected.

The letter of intent, the existence of which became known only a week ago, was drafted largely at the behest of Ruhrkole, which is concerned to protect its future market for coal-derived gas. Although not directly related to BP's planned deal with Veba, which would give BP 25 per cent of Ruhrgas, the letter was important because of Ruhrkohle's own large shareholding in Ruhrgas, which could have given it power to object to the terms of the BP-Veba deal.

Deutsche BP and Ruhrkohle have now dropped a clause that would have given Ruhrkohle an option to buy the BP stake in Ruhrgas, as well as pledging BP's support for Ruhrkohle's desire to acquire a 25 per cent stake of its own. But the cartel office is understood to have agreed to BP's taking on from Veba—an obligation to support the aims and goals of Ruhrkohle, contained in the coal group's statutes.

Deutsche BP executives were also optimistic last night about the outcome of the separate review of the Veba deal being carried out by the European Commission in Brussels. No decision from Count Otto Lambsdorff, the West German Economics Minister, is however expected before mid-March. He has to decide whether to uphold the cartel office's objections to the BP-Veba transaction, which it has not modified through its approval of the revised BP-Ruhrkohle agreement.

Industrial orders up 2.5%

BY OUR BONN CORRESPONDENT

ORDERS to West German manufacturing industry rose 2.5 per cent during December from the November level, the Federal Statistical Office reported yesterday.

Export orders were up 4 per cent, thanks to a few large transactions that also influenced the overall index, while domestic orders rose only 0.5 per cent. In November and December together, there was a 2.5 per cent increase over September/October.

The strongest growth was in the capital goods sector, once again as a result of large individual deals, where orders were up 5 per cent on the two-month basis of comparison. Semi-manufactures, affected by the steel dispute, showed only a 0.5 per cent rise in orders, while consumer goods fell 1 per cent.

AP reports from Washington: The U.S. Civil Aeronautics Board has given four U.S. airlines authority to fly between U.S. and West German cities.

World Airways was granted routes to Stuttgart, Dusseldorf and Cologne, and Trans World Airlines was awarded New York to Munich, with permission to fly on to Vienna. Delta Air Lines received Atlanta-Frankfurt, both non-stop and via London. Aeroamerica received routes to Munich and Frankfurt.

Citibank reduces prime rate to 11.5%

By David Lascelles in New York

CITIBANK, New York's largest bank, joined the downward trend in prime rates yesterday with a cut of ¼ per cent to 11½ per cent.

The move had been expected because Citibank sets its prime with a formula based on certificates of deposit whose interest rates have been softening in recent weeks.

However, only one other bank, American National Bank and Trust of Chicago, followed suit. The downward trend, the first in two years, was initiated at the end of January by Chase Manhattan, but as of yesterday had been followed by only four major banks.

Analysts are still doubtful, though, that the trend will last. Although short term interest rates have come down since the turn of the year, they became mixed this week and could shortly move up again, analysts believe.

Concern about inflation, the dollar and the economy's continued high rate of growth dominates the credit markets. And though the money supply appears to be in check, officials at the Fed and Treasury continue to empasise the need for restraint.

French labour unrest grows

By David White in Paris

A PIRATE action by protesting steelworkers has blocked the main rail link between Paris and Luxembourg, in the latest of a series of incidents marking a build-up of French labour unrest.

A group of about 20 members of the Left-wing CFDT union stopped a goods train in a tunnel during the night of Thursday to Friday and tipped its contents—1,500 tonnes of imported iron ore—on to the tracks.

Authorities estimated it would take four days to clear the line, near the town of Longwy in Northern Lorraine. The incident coincided with a 24-hour general stoppage in the Orne Valley, another Lorraine steel-making centre, and followed similar protest actions in preparation for a nation-wide steel strike next Friday.

French television is meanwhile having to get by with skeleton staff and "minimum" programmes in view of a continuing strike over job cutbacks at SFP, the main production unit for all three TV channels.

Petrol prices held steady

By Terry Dodsworth in Paris

THE FRENCH Government decided yesterday to let the burden of the recent OPEC oil price rise fall on domestic fuel and diesel rather than petrol.

The decision to keep petrol prices steady, at a time of increasing anxiety about supplies, is seen partly as a political manoeuvre to keep motorists happy and restrain the price index. But it also reflects a better financial position than the country had expected on its oil trading because of the rise in the value of the franc against the dollar. In effect, some of these gains are being passed on to the consumers.

Last year, the country consumed 8.5m tonnes of diesel which is now to go up by seven centimes a litre. Consumption of domestic fuel, increasing by 7.2 centimes a litre, amounted to almost 32m tonnes.

In overall terms, the Government has set a price ceiling on oil imports for this year of FFr58bn (£6.82bn), which will mean a 15 per cent increase by comparison with 1978.

THE IRANIAN CRISIS

Reduced role for oil consortium

BY ANDREW WHITLEY IN TEHRAN

WESTERN OIL experts now believe that the 14-member consortium led by British Petroleum in Iran will lose its favoured position as the producer—though not the buyer—of nearly 90 per cent of the country's oil.

Anxious oilmen who have been meeting in almost constant session "to keep the situation under review" are resigned to seeing the consortium's local arm, OSCO, lose control of the central task of production to the Iranian state-owned oil company.

The situation remains highly volatile and no firm predictions are being made. But at least one senior western oil executive here sees the consortium's role in future being reduced to one of selling rather than producing oil. The complete break up of the consortium, after nearly 25 years in Iran, is also now a distinct possibility.

Another tentative conclusion from early assessments by western oil executives is that Iran is unlikely to produce more than 4.5m barrels a day—compared with over 6m barrels a day before the present crisis—when the political situation stabilises.

The consortium is naturally highly anxious to retain its supplies from Iran and has asked regularly for meetings to discuss the situation, only to be met by hand-wringing from helpless NIOC men.

The basis of Iran's export philosophy in the five years since OPEC prices quadrupled was to sell as much as the markets could stand, at the highest possible price. Whatever Government comes to power, the new bench mark is going to be the level of revenue needed to suit a much more modest programme of domestic growth. The export figure will be guided by the need to conserve reserves that would have run out in less than 15 years at the rate set by the Shah.

Iran's economic planners have been given a clean slate as well as a new mandate by the sweeping, nationalist nature of this revolution, and it is highly likely that they will take the opportunity to dislodge the western oil consortium.

In the last weeks of 1978, OSCO, the consortium's local arm, evacuated its oilfields personnel and their dependants, first to Athens and then on to London and other destinations.

Despite the hostile anti-foreigner climate, especially in the sensitive oil area, NIOC has already said publicly that it will need some expatriate expertise for specialised tasks it is unable to handle itself.

It is only now that the Iranian Government will really start feeling the pinch of the drastic shortfall in oil revenues, because of the 60-day delay the monthly cheques in early-between liftings and payments. January and early-February were low and the one for next month is going to be disastrous, according to well informed sources.

Our foreign staff adds: International oil traders were sceptical of a statement yesterday from the Japanese International Trade and Industry Ministry that the Soviet Union has suspended oil exports to the non-Communist world.

The Soviet Union has been affected by the cut in Iranian gas supplies through a pipeline to southern Russia, but a complete halt in oil sales to the West seems highly unlikely.

Reuter reports from Baghdad: Iraq will resume pumping its oil to the Mediterranean through Syria under an agreement signed yesterday. Iraq stopped using the Syrian route in 1976 after relations deteriorated between the Ba'ath Party factions ruling the two countries.

DR. MEHDI BAZARGAN, Iran's provisional Prime Minister appointed by Ayatollah Khomeini, the opposition religious leader, has called for strikes to continue and the bazaars to remain shut until Dr. Shahpour Bakhtiar, the official Prime Minister, resigns, our Tehran correspondent writes.

But in an address to tens of thousands of supporters at Tehran University he failed to announce the members of his Cabinet or to order any dramatic action to take control of the country.

The speech is an indication that confrontation between the two sides and particularly with the Army, much of which is loyal to the Shah and the present constitution, is being avoided at all costs.

Although Dr. Bazargan said he would announce details of his Government's programme he confined himself to saying that he wanted to take over power, to hold a referendum on an Islamic republic and then to hold elections.

Qom holds key to battle of the Ayatollahs

BY SIMON HENDERSON, RECENTLY IN QOM

IN THE Iranian city of Qom the local police have been keeping inside their station for some weeks and armed soldiers no longer venture through the streets. It is a situation similar to that in many other parts of the country and even districts of Tehran. But Qom offers greater insight to the future for this is the place which may emerge as Iran's effective capital very soon.

The dusty streets of this city (pronounced as in Ee By Gom) 75 miles south of Tehran, enclose Iran's most famous centre of theological learning as well as the home of Ayatollah Khomeini, the opposition religious leader. It is also where Khomeini may find opposition himself from other religious leaders.

It is as unlikely a place of international attention as the village of Neauphle-le-Chateau outside Paris from where the Ayatollah succeeded in ousting the Shah by remote control. For the moment Ayatollah Khomeini remains in Tehran ensconced in his temporary headquarters of a converted girls' school. But sometime after the conclusion of his political battle for an Islamic Republic he must return to the mosques and minarets of Qom.

The outline of an Islamic State is already there for all to see. Boy scout-type vigilantes direct the traffic. Islamic co-operatives supply food. Only one boy has been found stealing in recent months — he was "arrested" and warned before his parents were asked to come and take him home.

The Prime Minister appointed by the Shah, Dr. Shahpour Bakhtiar, has referred to Qom as "a Vatican city" in an attempt to allow the existence of Ayatollah Khomeini's parallel Administration without conceding legitimacy to it. He is also probably hoping that in Qom Ayatollah Khomeini's stand will be weakened by consultation with the other Ayatollahs.

There are three other Ayatollahs in Qom who, like Khomeini, qualify as being a Mujtahed (interpreter). They are Ayatollah Shariat Madari, Ayatollah Marashi-Najani and Ayatollah Golpayegani. Other senior Ayatollahs live in Tehran and Mashad, but there are more in Qom than anywhere else.

The significance of an Ayatollah, as opposed to any other senior priest of the Shi'ite branch of Islam, is that they are reckoned to be able to pass judgment not just on religious affairs but also on day-to-day events. Moslems in Iran tend to be followers of one Ayatollah or another.

In the battle of Ayatollahs which may develop, Ayatollah Shariat Madari, a known moderate, will be a key figure. Offering a welcome to anyone who makes the three-hour journey by road through the barren desert outcrop from Tehran, Shariat Madari is a person to whom it is easy to warm. The contrast with the coldness of Khomeini is dramatic.

He holds audiences while sitting on a bed laid out on the floor, himself lying back against two enormous red cushions. An alert old man, aged 76 or 78 depending on whether moon or sun years are used in the calculation, he has a ready smile and a continuous twinkle in his bespectacled eyes.

But he can be uncompromising too. "No one has a right to express an opinion on Islamic government except for religious leaders who are experts in Islamic law." "Because the majority of the population of Iran is Moslem, the democratic government will be based on the laws of Islam."

The three principles of Islamic government, he says are: that everything is done for the pleasure of God, that there will be a just distribution of wealth, and that group works will be encouraged. Ominously, he chose as an example that when an Islamic government fights another country it will not be for land or anything else but only for these three principles.

But when the ground between him and Khomeini is examined, those hoping for compromise can be encouraged. Asked whether just any Mujtahed could appoint an Islamic council (a provisional government) and what happens if two produced two different councils, he replied a provisional government was only formed at some times for certain reasons. If there was disagreement, and if there were critical conditions in the country, the other Ayatollahs would keep quiet. Asked if critical conditions existed now, he replied yes.

A second area of disagreement appeared to be Ayatollah Khomeini's assertions that opposition to an Islamic government would be blasphemy and punishable in Islamic courts. Shariat Madari refused to believe that Khomeini had mentioned secular punishment and held that non-violent opposition to an Islamic government was only punishable by God. Pressed on the crucial question of the difference between the Shah not tolerating opposition and a similar dictatorship by Khomeini, Shariat Madari stuck to his position. He indicated he did not believe Khomeini had been so uncompromising, and said he would talk to him about it.

Although Qom was the place where the anti-Shah riots started a year ago and was a focus of trouble for many months, its streets are now a comparative haven of tranquility. There was no anti-western feeling expressed to myself or my American colleagues as we walked the narrow alleyways surrounded by the grafitti or revolution. Later the contrast was striking: on our return to Tehran an insult was made at us as we walked back into the hotel.

Islamic republic backed

BY ANTHONY McDERMOTT

THE FIRST Islamic defence conference yesterday expressed strong support for the creation of an Islamic republic in Iran in its closing resolutions.

The five-day conference in London on "Defence and the Moslem World" was attended by about 25 delegations from Islamic countries, according to Mr. Salem Azzam, president of the Islamic Institute of Defence Technology, which was set up in London last year.

The final communique condemned Israeli occupation of Arab territory and "the brutality of Israel's treatment of Arab detainees." This reflected the influence of the recently published U.S. State Department report on the violation of human rights of Arabs under occupation.

The conference called for greater military co-operation between Islamic countries. On all five days an arms exhibition was open at which 19 companies from Western Europe (10 from Sweden) the U.S. and South Korea were represented.

Embassy payments inquiry

BY DAVID BUCHAN IN WASHINGTON

DOCUMENTS linking the Iranian embassy in Washington with the financing of violent pro-Shah demonstrations in the U.S. capital in November 1977 have been presented to a grand jury in Chicago, the Washington Post reported yesterday.

The Justice Department is investigating the payments, said to have run to millions of dollars and to have been made to U.S. citizens and Iranians, for possible violations of exchange control and foreign agent registration laws.

Iran's outgoing Ambassador to the U.S., Mr. Ardeshir Zahedi, could not be charged by the grand jury because of his diplomatic immunity. But Mr. Zahedi, an intimate associate of the Shah, has been dismissed by the Bakhtiar Government and is to give up his post on February 17. The Washington Post quoted Justice Department officials as suggesting that other Iranian diplomats might be listed in the grand jury investigation as unindicted co-conspirators.

Farm price plan may clear way for EMS

By Margaret Van Hattem

THE EEC Commission has apparently yielded to pressure from West Germany and revised its proposals for farm price arrangements in a bid to unblock introduction of the European Monetary System.

The new proposals will be put to EEC farm Ministers meeting in Brussels on Monday.

They do less to meet French demands than the proposals put to Ministers last Monday, but it is widely felt in Brussels that the French are close to conceding that a face-saver is as much as they can hope for.

Last December France blocked the introduction of the EMS with demands that monetary compensatory amounts, subsidies and levies on farm trade which neutralise the impact on national prices of currency fluctuations, should not be allowed to grow on a permanent basis.

In response, the Commission last week proposed a flexible programme for getting rid of the amounts created after the introduction of the EMS over a period of up to four years. Since the Germans show no sign of accepting a system in which price cuts would be automatic, the Commission has introduced changes to enable them to resist such cuts.

At present, currency changes automatically bring a change in the amounts. The Commission originally proposed that such changes should henceforth require a council decision. It is now proposing that the changes should continue to be automatic. Any member state could immediately call a council meeting to review the matter, but a council decision would be needed to stop the changes.

The revisions would tend to raise national farm prices and could meet opposition from Britain.

But since they subsidise German exports, a small appreciation in the Deutschmark would still, under this system, imply a small cut in German national prices.

The Commission had proposed that newly created amounts be automatically phased out over a two-year period which could be extended by up to a further two years. It is now proposing to get rid of them within two years, unless national prices would drop as a result—in which case they could remain.

This means that monetary compensatory amounts in strong currency countries would tend to live on while those in weak currency countries would go. But weak currency countries, such as France and Britain, would not have to accept any change bringing a national price rise of more than 5 per cent in one year.

Rising prices warning for Japanese

By Richard Hanson in Tokyo

THE GOVERNMENT'S Economic Planning Agency (EPA) yesterday issued its first cautious warning over recent trends toward higher prices in Japan.

The EPA said in its monthly economic report that it is not ready to alter the basic policy of refiating the economy, but said that the sharp rises in commodity prices, mostly due to overseas factors, did call for a slight change in the official stance on price movements.

The Government announced yesterday that the wholesale price index in January rose by a fairly sharp 0.6 per cent from December to stand at 103.9 (1975 equals 100). The index was still 1.6 per cent below a year ago level thanks to month-to-month drops earlier in 1978. The monthly increase was the third in a row, however, following 0.6 per cent and 0.2 per cent rises in December and November, respectively.

The 0.6 per cent increase in January translates into an annual pace of 7.4 per cent, or well beyond the official Government target for the next fiscal year from April of 2.3 per cent.

Peruvian oil find by Occidental

LIMA—A major oil find in the jungles of northern Peru was announced by the Peruvian Government yesterday. General Juan Sarchez Gonzales, the Energy and Mines Minister, said that the U.S.-based Occidental Petroleum had drilled into a structure with reserves estimated at between 80m and 100m barrels of light oil.

A deposit of 100m barrels would represent an 18 per cent increase in the country's proven reserves which are estimated at 550m barrels.

The announcement ended weeks of speculation that Occidental had found an important new supply.

The Minister said that Peru's oil production this year would be over 200,000 barrels a day compared with the present output of 180,000 b/d. He said Peru was exporting between 60,000 and 80,000 barrels a day. Agencies

Italy grows fat on its underground economy

BY RUPERT CORNWELL IN ROME

MUNICIPAL BUS workers in Bologna have a number of profitable sidelines ranging from taxidermy to giving driving lessons and night club management, according to one recent study. A village near Mantua, in the North, produces quite unofficially 35 per cent of the womens' tights sold in Italy. In Puglia in the south employees at a nuclear research establishment usefully supplement their income by growing top quality early spring vegetables.

These are only three isolated examples of what Italians call the submerged economy. Taken individually they are mere curiosities. Taken together the tens or hundreds of thousands of such productive units up and down the country add up to a vast underground economy, existing alongside that which shows up in the official statistics. New research now suggests that this clandestine sector may have assumed such proportions as to force a complete re-assessment of the real wealth of Italy.

Italy of course is not the only country where activity slips through the official net. The introduction of VAT and high rates of direct taxation have seen to it that Britain has its own growing moonlight sector. France has long had one. But nowhere has the phenomenon reached the level seen in Italy, which in this respect as in others seems ever more like a vast, teeming social laboratory on which other nations can look, and learn. The submerged economy too may explain the riddle which baffles every visitor to Italy: how does a country which regularly fares so dismally in international statistical league tables manage to look so energetic and prosperous?

And here one is not referring to the swarms of Italians who in defiance of logic and currency regulations spend millions at the gaming tables of Monte Carlo, or to the sumptuous goods on display in the smart shops of Rome, Milan and Florence, but rather to the busy streets and overflowing shops in ordinary quarters of Italian towns and cities, in a country where the average industrial wage is (officially) Lire 400,000 (£240) a month, but where modest industrialists seem to have little trouble in finding colossal sums to meet ransom demands for kidnapped relatives.

Censis, the social research institute now calculates that there are between 4m and 7m jobs in the parallel economy. Some are second jobs, like those of the Bologna bus drivers, others are the only source of income of the workers concerned, others involve part time or work at home, frequently for women.

All however are "illegal" in the sense that they are non-unionised, and outside the social security system.

Not least of the consequences is the growing waywardness of official statistics in Italy. It is in the nature of the beast that the submerged economy cannot accurately be measured. Its existence shows itself above all in obvious discrepancies—for example an annual rise of demand for power of 6 per cent at a time when industrial output officially has not expanded: or a single year's rise of 35 per cent in bank deposits at Prato (a town north of Florence which is the capital of the flourishing "illegal" textile industry) while the money stock nationally grew by less than half that.

Italy's Prime Minister-designate, Sig. Giulio Andreotti is reported to be considering offering Cabinet posts to pro-Communist politicians in his efforts to form a new Government. Sig. Andreotti has just ended three days of talks with the political parties and is due to report to President Sandro Pertini today, AP reports from Rome.

In the first place it seems likely that industrial production has grown rather more vigorously than official figures suggest. But the most striking and significant uncertainties surround national income and unemployment.

Officially Italy's gross domestic product in 1978 was roughly L200,000bn. But without question these figures understate the truth, according to some claims by no less than 30 per cent. In other words, the undeclared economy generated wealth of L60,000bn (£36bn). Censis is more cautious, and would estimate the extra at between 15 or 20 per cent, equivalent to L30,000bn or L40,000bn.

In that case Italy's economy would have reached last year more or less exactly the size of Britain's, assuming a UK GDP of £140bn, which at current exchange rates works out at L235,000bn. The implication also is that areas in the North like Milan province, where 400,000 secondary jobs at a conservative guess exist, become as rich as almost any part of Europe, in Rome, where many civil servants knock off at 2 p.m., a recent study found that 70 per cent of government employees had a second job.

And what does one make of unemployment, officially standing at 1.6m, out of a total Italian workforce of 21.7m? Censis believes that 25 per cent of those registered as unemployed have some form of work. Many of the others are women, seeking to supplement the family income. But one might equally ask, how many, particularly young people are denied a job by the fact that others already have two (or even three)?

Then there are the foreign workers who are believed to total 400,000, but of whom only half, at most, are in Italy legally.

Uncertainty about the figures is matched only by disagreement about whether the whole clandestine sector is a good or bad thing. On the debit side, it unquestionably makes economic management more difficult. For this reason, among others, the country has been forced to lean so heavily on monetary controls to guide the economy: the unregistered worker may not pay taxes but he does have a savings or bank account.

In a broader sense, the very inexistence (officially) of such a chunk of the country's industry makes its future harder to plan. Meanwhile the debt-ridden national pensions fund loses an estimated lire 3,000bn (£1.8bn) in contributions each year, with obvious wider consequences for Italy's enormous public sector deficit.

On the other hand, the submerged economy is proof of the inherent vitality of the Italians when left to their own devices free from the dead hand of the state. Almost certainly it helps explain why prophesised economic disasters never quite materialise. What does seem certain is that the clandestine economy cannot be eradicated, whatever the well-meaning hopes enshrined in the three year economic recovery plan, now frozen because of the political crisis. Its roots in particular local communities, its preference for small units, dovetail far too closely with the temperament and instincts of the people.

An Italian shopkeeper complains at lack of sales—but he may make a spare-time living from market gardening.

Its organisation can take a highly efficient form: in Prato for instance, Dr. Giuseppe de Rita, a director of Censis, says a new breed of marketing middleman has sprung up. "He will go off to somewhere like Japan, bring back an order for 50,000 pairs of jeans, and then subcontract them out to a number of little enterprises who jointly pay for his services." It thus becomes easier to understand why Italy's trade for the first time in 36 years was in the black in 1978—and why some experts believe that the country may be starting an economic boom that will by-pass many of the statistics.

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UK NEWS

Talisman tariff will be cut if costs permit

BY CHRISTINE MOIR

DESPITE PROTESTS from some members, the Stock Exchange Council would be reluctant to reduce the tariff for Talisman, the new computerised bargain-checking system — at least until it has been in operation for some time.

But the Council is prepared to consider reducing the general services levy if Talisman proves cheaper to run than is estimated.

Details of the new tariff structure, which is considerably higher than first proposed in 1977, were sent to members late last month. They have until Tuesday to submit objections to the proposals.

Letters of complaint have been flowing in to the Council, mostly from the smaller brokers, who are arguing that the tariff for the smallest bargains is too heavy and that big brokers handling large deals get off too lightly.

A more general complaint is that the whole tariff structure is too high. Some members are claiming that the Council has adopted too strict accounting principles in trying to write off the capital costs (£12m) over five years as well as covering full running costs (estimated at £6.5m a year).

The capital costs have been met out of the 2 per cent "general services" levy imposed on members' turnover since 1970. Some members say that because of this either the general services levy should now be abolished, or alternatively, there should be no need to repay the general fund through the capital repayment element in the Talisman tariff.

While the Council is prepared to listen to suggestions involving changes in the spread of the proposd scale of the tariff, it is not likely just now to reverse its decision on capital repayment.

Mr. Nicholas Goodison, chairman of the Stock Exchange, pointed out yesterday that Talisman does not even start running until March 26 (if all goes well) and then will handle only 10 per cent of equity bargains.

It will not be clear until much later in the year how accurate the cost estimates turn out to be. Until then, said Mr. Goodison, the Council would be "a laughing stock" if it applied any but the strictest financial controls.

A conservative amortisation period was needed to offset the possibility that the high-technology computers used in Talisman could become obsolete before long.

On the other hand the Council wanted to reduce the general service charge, and would do so if Talisman proved cheaper than estimated.

"If the tariff proves too strict we can do something about it. The general levy is very flexible. But we would be foolish to do it before we know the outcome."

By-elections in March for safe Tory seats

BY RICHARD EVANS, LOBBY EDITOR

BY-ELECTIONS FOR the two safe Conservative seats of Knutsford and Clitheroe will be held on Thursday March 1.

The Knutsford by-election is caused by the resignation on health grounds of Mr. John Davies, former Industry Minister and shadow Foreign Secretary. He had a majority of 10,426 at the last general election.

Mr. David Walder the Clitheroe MP who died last December had a majority of 6,868.

A by-election has still to be announced in the Labour-held seat of Liverpool, Edge Hill, where Sir Arthur Irvine's 6,171 majority could be threatened by a rupture within the local Labour Party. The Liberals were a strong second at the last election.

Opposition woos small parties for censure vote

THE OPPOSITION censure motion on the state of British industry, for debate in the Commons next Tuesday, has been drafted carefully to attract the widest support from minority parties, Richard Evans writes.

It is part of the effective harrying campaign by the Opposition over the industrial unrest.

The motion deplores "the Government's disastrous industrial policies, which have stifled enterprise, destroyed the hope of new and worthwhile jobs, and left the nation poor and divided."

How much danger the Government faces will depend on the drafting of the Government's amendments, to be completed on Monday, and on consultations between the Government whips and minority party leaders early next week.

Sir Keith Joseph and Mr. John Biffen Opposition spokesmen, are expected to comment on the rise in Minimum Lending Rate and its effect on industry and small businesses. There will also be the chance to discuss BL.

Company count in tax havens

A TOTAL of 28,394 companies is registered in the Channel Isles and the Isle of Man, Dr. Shirley Summerskill, Home Officer Under-Secretary, said in a Commons written reply.

Jersey has 12,675, Guernsey 5,615, Alderney 332, the Isle of Man 9,772.

Natural fibre talks set for London next year

BY RHYS DAVID

AN INTERNATIONAL conference on the processing, use and marketing of natural fibres will be held in London from March 10 to 14 next year.

The conference is being organised by the Tropical Products Institute, a scientific unit of the Ministry of Overseas Development.

The aim is to bring together people concerned with all aspects of the post-harvest technology and marketing of natural fibres produced in the tropics and sub-tropics, to discuss problems of mutual interest.

Special attention will be given to bast and leaf fibres such as jute, sisal and coir, particularly their use at the rural level, and the appropriate transfer of technology. Papers on aspects of the main natural fibres, cotton and wool, will be included.

It is hoped that a large proportion of contributions for the conference will come from developing countries.

Police reopen pit inquiries

POLICE have re-opened investigations into a fatal pit accident almost three months ago to discover if there is any question of criminal negligence. Seven men died in the disaster at Bentley colliery last November.

Detectives have questioned some of the 70 miners who were on a train which crashed after leaving the track on an S-bend. They want to discover why a fail-safe mechanism was left in the "off" position.

Maxwell offers aid to Kirkby co-op

By John Elliott, Industrial Editor

Mr. Robert Maxwell, former Labour MP for Buckingham, offered last night to use cash from his Pergamon Press business to help mount a £1m rescue of the loss-making Kirkby Manufacturing and Engineering workers' co-operative.

He had talks with the co-operative leaders yesterday and is to meet Department of Industry civil servants early next week. Last night he said that he would propose that he and the Government put together a package on a 50-50 basis to cover the £750,000-to-£1m that the co-operative needs quickly to save it from the risk of closure.

He said that Pergamon Press, which is wholly-owned by Maxwell family interests, would provide the cash. It would announce profits soon for 1978 of £5m to £6m, compared with £3.7m in 1977.

This is Mr. Maxwell's second intervention in the fortunes of one of the three workers' co-operatives set up in 1974 with the help of Mr. Anthony Wedgwood Benn, who was then Secretary for Industry.

Four years ago Mr. Maxwell became involved in the Scottish Daily News co-operative, which subsequently shut down.

The Kirkby co-operative has been in financial trouble for many months, and faced the prospect of Receivership after the Government rejected an application for aid last week.

The application involved an immediate injection of £2m followed by up to £4m more to develop Kirkby's output of central-heating radiators and other products.

Capital

The initial £2m would have included £1m for buying the factory from its landlord, International Property Development, which it is understood Mr. Maxwell considers unnecessary.

He would want to become chairman of the co-operative if a deal was agreed. A chief executive would be provided by PA Management Consultants, which has been helping the co-operative for the past year, and which put together the £6m application rejected by the Government.

But Mr. Maxwell is likely to go ahead only if certain pre-conditions are met, including a promise of Government financial backing.

He would want the co-operative to agree that a new incentive wage system be introduced and about 200 of the 700 workers be made redundant.

He would also want to be satisfied of the validity of estimates that Kirkby can continue to provide 10 per cent of Britain's central-heating radiator market that it is said to hold at present.

He said last night that he hoped to know whether he would go ahead within a week to ten days.

Industrial catering 'growing'

INDUSTRIAL CATERING continued to be a growth market, according to Miss S. L. Mitchell, chairman of the Industrial Catering Association.

Seven years ago there were 11,250 industrial catering units she said, now there are more than 30,000. The association, which represents about 10 per cent of the industrial catering market, estimates that the average expenditure on all sales in this sector at £56.25 per person a year, compared with £44.08 in early 1977.

The meal subsidy per employee, £2.71 per quarter in 1970, is now £11.72.

While prices in company canteens differed widely, the average canteen charge for a main course, sweet and beverage had risen from 16½p in 1970 to 44½p today.

● NEWS ANALYSIS—CORBY

BY ROY HODSON

How a town's fears came true

THE 56,000 people of Corby, the little Northamptonshire town which grew up around its steelworks, were not unprepared psychologically for the blow that has fallen on them.

Only last December the consequences of a possible big reduction in employment at the steelworks formed the subject of a complete chapter in a report on Corby's prospects prepared by Coopers and Lybrand Associates, the management consultants.

But the suddenness of the British Steel closure scheme has had a stunning effect. Neither BSC nor Government Departments attempted to soften the blow by taking civic leaders and union officials into their confidence in advance.

The size of the cuts has shocked, too. Knowing that their iron and steelmaking was becoming increasingly out-of-date by the standards of the big new works on the coast, the Corby employees of BSC had hoped for, at worst, a gentle phasing out of furnaces over some years; or, at best, some new iron and steelmaking plant.

Instead, they are faced with the prospect of total closure of iron and steelmaking and associated local iron-stone quarrying, with a loss of 5,500 jobs.

British Steel wants the closure to be achieved with the least possible delay because Corby's usefulness is at an end now that 5.5m tonnes of new (and low-cost) iron and steelmaking is to be produced at Ravenscraig, Scotland, and Redcar, Teesside within the next 12 months.

The people of Corby also appreciate clearly that the real impact upon the town will extend well beyond the BSC job losses.

Local union leaders calculate that at least a further 2,000 jobs will be lost in activities associated with the steelworks, such as oxygen-making at the British Oxygen tonnage plant, iron and steelmaking materials production at Fisons Basic Slag, and contracting work carried out by the Tarmac Corby depot.

Different

Then, the town will be poorer by £1m a year after the furnaces have closed and the sites cleared of scrap metal. That is the amount Corby District Council receives in rates from British Steel for the iron and steelmaking plants.

All would have been so different if the scenario sketched out in the management consultants report could have been played out in real life.

They recommended the town to consider the implications of a posible works shutdown well in advance of any possible closure date: "In human terms there is the strongest possible case for two or three years of strenuous preparation before closure occurs."

Instead of that comfortable time-scale the town has hardly had time to digest the consultant's report, let alone act upon it, before being faced with the British Steel proposal.

Corby has always found it difficult to diversify its industry away from iron and steel. The closure rate among firms in the textiles, clothing, and footwear industries in Corby has been very much higher than for the East Midlands as a whole. Unemployment in the town is running at between 8 and 9 per cent, in consequence

After the last tonne of steel is made unemployment will certainly be above 20 per cent. Coopers and Lybrand estimated that a partial steel works closure would cause 21 per cent unemployment in Corby. A full steelworks closure there (which is not contemplated by British Steel) would cause 33 per cent unemployment. Such is the dependence of Corby upon steel.

Problem

Corby will not be the only community to suffer. The British Steel workers live in towns and villages in a 25-mile radius: Kettering, Caldecote, Rothwell, Geddington, Duddington, Desborough. "All those little places will be affected," said one of the steelworkers' action committee.

Corby's problem is British Steel's problem writ small. "Soon we will have liquid steel coming out of our ears," said a senior executive recently during a discussion on the corporation's investment programme.

When the new blast furnace on Teesside is lit this year it will lead to production of at least 3m tonnes of liquid steel a year compared with under 2m tonnes. That steel will be made for at least £40 a tonne less than Corby-made steel.

British Steel will have lost £1bn in three years by the end of the financial year in April. With such losses it cannot afford to under-run Teesside while keeping expensive Corby steelmaking in production.

In the corporation's eyes the equation is neat. The extra 1m tonnes' annual steel output from Teesside will be sent down to Corby to keep the tubes works fed.

The corporation is estimating, in fact, that it will save more than £40m a year in various ways by the switch.

Demand forecast for steel products in the British market this year and next are gloomy. The latest British steel estimate is that demand this year will be no higher than last year — 15.3m product tonnes — and that there will be only minimal growth next year. There is virtually no hope of Corby securing a reprieve because of an upturn in the industry.

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Laid-up ship tonnage falls

BY LYNTON McLAIN

THE TONNAGE of world shipping idle was 20m dwt less in the last quarter of 1978.

The latest figures, however, from the General Council of British Shipping, show that 30 ships registered in Britain were laid up at the end of 1978, representing 7 per cent of the fleet, a greater proportion than for the rest of the world. The total UK tonnage idle was 3.6m dwt, compared with the total of 4.1m dwt idle at the end of November, when 35 ships were laid up.

The council said yesterday that 5 per cent of the world fleet was still idle at the end of December. This amounted to a total of 593 ships of 30.1m dwt, compared with 656 ships of 34.5m dwt at the end of November.

The total tonnage of ships idle at the end of June was 57m dwt, the highest tonnage since December 1976.

Sweden had the greatest proportion of its fleet, 13 per cent, idle and Norway had 12 per cent of its fleet idle at the end of the year.

Averys takeover report

BY MAX WILKINSON

THE Office of Fair Trading said yesterday that it had completed a report on whether a possible take-over of Averys, the weighing machine company, by the General Electric Company should be referred to the Monopolies Commission.

The report is now with Mr. Roy Hattersley, the Prices Secretary, who will have to decide whether any action should be taken over a possible take-over.

GEC would make no comment last night on whether it intended to proceed with a formal bid, following its investigation of the possibility of taking over Averys. GEC announced last December that it might make an £83m offer, but after discussions between the two companies the Averys Board said it was against a take-over.

Since then GEC has made no further public move. After an approach from Schroder Wagg, the merchant banker acting for Averys, the Take-over Panel ruled that GEC was not obliged to make any further statement.

Avery's shares fell 8p to 212p yesterday on rumours that an announcement would be made.

Tax deposit certificate interest up

By David Freud

INTEREST RATES for certificates of tax deposit are raised from next Monday for the second time in a month.

The certificates, operated by the Inland Revenue, may be bought in advance for surrender in payment of all taxes except Pay-As-You-Earn and tax deducted from payments to sub-contractors.

The rate increases from 13 to 14 per cent on new deposits accepted under the terms of the prospectus for certificates dated August 29 and applied in payment of tax.

The rate on cashed deposits for increases from 10.5 to 11 per cent. The bonus payable on deposits used to pay tax and held for more than six months remains 1 per cent.

Jobs for 12,000

NORTHAMPTON Development Corporation's campaign for diversification of industry has attracted 37 foreign companies to the town in eight years. The corporation has helped set up factories and shops providing 12,000 jobs.

London-Ostend Jetfoil delayed

BY LYNTON McLAIN

PLANS FOR a high-speed Jetfoil service linking Central London with Ostend have been postponed, P & O Ferries, said yesterday.

P and O Ferries plans to invest over £13m in two Boeing Jetfoil craft, and aimed to start the services in June.

Negotiations for a London terminus site fell through at a late stage, the company said. Other possible sites were being examined.

Mr. Ian Churcher, executive chairman of P and O Ferries, said he was extremely disappointed at the delay. The service was unlikely to start before September at the earliest, and is certain to miss the lucrative summer holiday traffic.

The first of the new model 929-115 Jetfoils, designed to carry 259 passengers, will be delivered by September for joint service with P & O Ferries 200-seat craft, the Flying Princess, on charter from Boeing. The second 259-seater will enter service in the spring of 1980.

The crossing to Ostend will take three and a half hours.

Unigate sponsors 'real' tennis

UNIGATE, the milk and dairy foods company, is to sponsor "real" tennis, the ancient sport from which lawn tennis is derived.

It is with support principal championship events for three years. This year's main meeting will be the world championship at Hampton Court in April between competitors from the U.S., Australia and England.

Real, or royal, tennis was played by Henry VIII, who built Hampton Court 500 years ago.

Holiday threat as pay dispute forces waterway closures

BY LYNTON McLAIN

BOATING HOLIDAYS on Britain's canals may be disrupted this summer unless the Government allows the British Waterways Board to meet a 21 per cent pay claim by maintenance staff.

Fourteen tunnels, aqueducts and locks were closed by the board this week for safety reasons after 830 men had refused to carry out essential maintenance.

Only five miles of canal are directly affected by the closures, but navigation by pleasure and commercial craft on a further 1,400 miles of waterway is also affected.

The board will have to close more stretches of water if the dispute, involving members of the National and Local Government Officers Association, is not settled soon. "The system will grind to a halt and the board could not guarantee the safe cruising of inland waterways unless maintenance work is resumed," Mr. David McCance, the board's general manager said.

The Department of the Environment had given the Board £5m for essential maintenance on the canals for the current financial year. A further £5m was promised for next year. But the Board was unable to spend the money on repairs as much of it would be used to upgrade salaries and staff responsibilities to levels beyond the Government's pay guide lines.

Up to 200,000 people take their annual holidays on the canals, and Mr. McCrance said there is now tremendous pressure on Mr. Peter Shore, the Environment Secretary, to find a solution.

The industrial action taken by the NALGO members meant that day-to-day inspections of unsafe parts of the canal system were now impossible.

The Retford aqueduct on the Chesterfield canal is now in danger of collapsing and projections have appeared above the water level in the Foulridge tunnel on the Leeds and Liverpool canal. The walls of the aqueduct had moved out of alignment and the tunnel walls were collapsing inwards, the board said.

The Grand Union Canal at Evitts Valley Embankment, Solihull, Birmingham was in danger of bursting its banks after subsidence of the embankment. The Coventry canal had already breached its banks but had since been drained.

Trader train will boost Manchester in Europe

FINANCIAL TIMES REPORTER

MANCHESTER BUSINESSES are to take their export drive to the Continent in a special train which will visit five major cities in September.

The train, the Manchester Merchantman, will leave the city's Piccadilly station on September 9 and will make its first scheduled stop in Rotterdam the following day. It will move on to Amsterdam on September 13, Dusseldorf on September 17, Cologne on September 20, and Brussels on September 24.

The trip is being sponsored by Manchester City Council and Manchester Chamber of Commerce, the programme organised by Robert-Lawson Associates and British Rail.

It is hoped that the space available—60 ft by 7 ft 6 in in each of four coaches—will permit of 15 to 25 major displays, depending on their size. In addition, there will be reception, club car and first-class dining facilities on board.

The organisers are promising an extensive advance publicity campaign in the cities to be visited, and the train will be specially painted to a theme which will highlight Manchester.

It is claimed that this will be the first time businessmen from a British city have hired a train to display their goods and services on the Continent.

RTZ smelter plans shelved

PLANS FOR the expansion of the Anglesey aluminium smelter at Holyhead, jointly owned by RTZ and Kaiser Aluminium, have been shelved because of failure to agree on electricity charges.

The plans would have doubled the smelter's capacity to 200,000 tonnes a year and provided between 400 and 500 jobs in an area where unemployment is running at nearly 14 per cent.

UK NEWS

Poll says Welsh will reject assembly

By Robin Reeves

THE GOVERNMENT'S proposal for a Welsh assembly will be decisively rejected in the March 1 devolution referendum, *according to a poll published by* BBC Wales last night.

It indicated that 33 per cent of the people planning to vote on St. David's Day, will support the setting up of the assembly, a drop of 4.8 per cent compared with a similar BBC poll last autumn. More than 45 per cent said they would be voting against, a decline of 2 per cent compared with the earlier poll.

Culture

At the same time, the poll findings suggest there will be a large turnout on March 1. Nearly 70 per cent of those questioned said they would cast their vote.

Those intending to vote "yes" gave, *as their chief reasons*, that a Welsh assembly would have more time to consider the special needs of Wales, it would protect jobs and living standards and could help protect Wales' language and culture.

Those intending to vote "no" were mainly concerned that a Welsh assembly would involve extra costs, create another tier of bureaucracy, and be the first step towards the break-up of the United Kingdom.

Tory front

● Two MPs yesterday challenged the anti-assembly "Scotland Says No" campaign to disclose its source of income.

Mr. Jim Sillars, breakaway Scottish Labour Party MP for South Ayrshire, and Mr. George Reid, Scottish National Party MP for Clackmannan and East Stirling, who are both campaigning on *behalf of the "Yes for Scotland"* group, said the anti-assembly group had all the appearances of a Tory front organisation. But it was wider *than that in representing every* vested interest which wants to keep the Scottish people powerless, they said.

The two MPs said that the "No" *campaign was "wholly* negative" yet had "seemingly limitless" funds.

Feature, Page 18

BL cannot sustain long strike—Varley

BY IVOR OWEN

BL CARS is in no position to *survive a long break in pro*duction, Mr. Eric Varley, Industry Secretary, emphasised in the Commons yesterday.

He appealed to the workforce to weigh carefully "*the serious* consequences" of a strike.

He urged the 20,000 workers who downed tools at Longbridge on Wednesday to return to work, accept the need for continuity of production and seek a solution through "talking rather than walking."

Labour backbenchers joined Tory MPs in insisting on a limit *to further* taxpayers' money to keep BL Cars in business.

Mr. Norman Lamont, a Conservative industry spokesman, said: "Whatever the rights and wrongs of the dispute about parity payments, one thing is certain: BL cannot afford a long strike.

"If the BL market share falls even further, no Government, *Labour or Conservative, will be* able to do anything to rescue them."

Mr. Varley replied: "It is *true that BL* cannot sustain a long strike, nor could the Government sustain a long strike on the basis of providing further public funds."

He refused to be drawn into estimating the likely extent of further financial provision, since the National Enterprise Board had only just received BL's corporate plan. The Government would *offer its pro*posals later.

Mr. Varley said that in talks with Sir Leslie Murphy, the Board's chairman, and Mr. Michael Edwardes, BL chairman, on Thursday night, a genuine misunderstanding with the trade unions over productivity figures had emerged.

He hoped that that had been cleared up and that the relationship between management and unions would improve.

Productivity, he confirmed, had been "patchy" over the past few months. That was why parity payments had been withheld.

Mr. Varley described production in November—3.8 vehicles a man—as "very, very bad." Contrary to some reports, production last year was 30,000 vehicles down on 1977.

Mr. Willie Hamilton, Labour MP for Fife Central, gave a blunt twarning that the enormous limits to the patience of the taxpayer were coming to an end. "They are not prepared to finance any further *inefficiency in BL.*"

Mr. Varley agreed that the Government had approved the rescue of BL in 1975 and provided for other car manufacturers so that the British industry would move towards internationally competitive levels of productivity.

Mr. Michael Grylls, Conservative MP for N.W. Surrey, questioned how the BL workforce would respond to a report that Lord Stokes was being offered a two-year contract for "doing nothing" in retirement at £50,000 a year.

Mr. Varley declined to comment on the position of individuals.

Tory anger as parties fail to agree on ballot TV time

BY RICHARD EVANS, LOBBY EDITOR

THE POLITICAL parties have failed to agree on a scheme to allow both sides in the referendum campaign in Scotland and Wales to have two broadcasts each in the run-up to the March 1 devolution vote.

They have had to fall back on their origina allocation of political broadcasts for referendum *programmes.*

This means that the Conservatives will have the plum slot on Wednesday, February 28, the eve of the poll. Labour's broadcast will be on February 27, the Scottish National Party on February 23 and Plaid Cymru on February 26. The Liberal's broadcast will be on February 23 in Wales and February 26 in Scotland.

Although they are having the *last say, the Tories are livid* at the way the protracted talks with the BBC and Independent Broadcasting Authority have turned out. The outcome means that the Conservatives, with the only "Vote No" message, will be outnumbered three to one in the final days of the three-week campaign.

Mr. Teddy Taylor, shadow Scottish Secretary, called the allocation "shameful" and said, if there was a Yes vote because of the loading of the broadcasts, there would be a deep feeling of resentment in Scotland.

The decision also means that there will be no broadcasting voice for Labour opponents of devolution, Tory pro-devolutionists or for umbrella organisations containing members of all parties.

Both broadcast authorities were keen on two broadcasts for each side, similar to the arrangements during the Common Market referendum, but they could not get agreement from the parties.

Council workers threaten move on devolution

By Our Welsh Correspondent

INDUSTRIAL ACTION by public-service workers is threatening to prevent the referendum on assemblies for Scotland and Wales from going ahead on March 1.

School caretakers and other members of the National Union of Public Employees in North Wales voted yesterday to close schools in an attempt to prevent their use as polling stations for the devolution vote.

They backed a one-week strike beginning on February 26, 48 hours before polling day.

The union's members in Scottish schools have asked for permission from the union's executive council to do the same, and moves are afoot to spread the action to schools in *the rest of Wales.*

However, in Cardiff, Mr. Alec Jones, Welsh Under-Secretary, said that there was no question of the Referendum being postponed. If necessary, polling stations would be switched to chapels and other buildings.

IBA opposes plan for fourth channel

BY COLLEEN TOOMEY

AN Open Broadcasting Authority would not work, said Mr. Anthony Pragnell, deputy director-general of the Independent Broadcasting Authority, in London yesterday.

"The experience of this country in recent years shows the need for important public enterprises to rest on a sound financial and structural base.

"The current experience of the BBC in trying to make ends meet on insufficient money is a more direct warning against the creation of an uncertainly *financed broadcasting system.*"

Mr. Pragnell said that the White Paper on Broadcasting took the IBA's proposals and tried to force them into the idea of a separate broadcasting authority. The result was likely *to be a "botch and a muddle."*

The IBA has proposed that it should provide the fourth television service, which would be complementary to existing services; that the total advertising revenue of the two complementary services would be available for their joint programme production and needs, with the second service cross-financed from the first.

Wool textile industry expects better demand

DEMAND PROSPECTS in the world woll textile industry for the second half of 1978-79 are "quite promising," according to International Wool Secretariat economists.

While the overall economic climate is subdued, some factors indicate higher demand for wool. Sales for the full season should increase over 1977-78.

The economists base their views on "some encouraging demand signals" from the main consuming countries and an expected 3 per cent fall in wool *supplies* which—*since* world production has risen—reflects a smaller carry-over.

The "drying-up" of South American wool a year ago acted as a market boost. This season more than 60 per cent of the Uruguayan clip has already been sold, and certain types of Argentine wools have been bought up completely.

Stocks of raw wool in several of the major consuming countries are lower than a year ago. In the EEC stocks are about 40 per cent down on two years ago. Japanese stocks are at their *lowest for several years.*

The economists see the demand for clothing and textiles in the next six months as clouded by uncertainties. "But prospects are brighter than they were a year ago, and the wool textile industry itself appears to be in rather better shape than seemed likely last autumn."

'Dustbin contracts' may go private

By Paul Taylor

WESTMINSTER CITY Council is to study the feasibility of *using private contractors to* clear dustbins in the long term.

Private contractors have been used this week because of the manual workers' dispute to clear rubbish from streets in London's West End where there is a fire or health risk.

Mrs. Shirley Porter, chairman of the council's highway committee said last night that she was "*fed up with pussy-footing* around." Although the primary objective remained to get the council's own dustmen back to work, in the longer term the council would study the possibility of using private contractors.

She denied having instructed private contractors to clear the council's 34 official emergency *refuse tips, but said that such a* decision would be reviewed regularly to ensure that no public health hazard arose and that the emergency tips did not become full.

On Monday the council is to negotiate with its manual workers and Mrs. Porter hopes that agreement can be reached—outside the national negotiations—to ensure that Westminster's dustbins are kept empty and its streets clean.

Stockbroking firms to merge

BEARDSLEY BISHOP, the 14 partner stockbroking firm, is to merge with Robert Escombe Sampbell next month.

The new firm will be called Beardsley Bishop Escombe.

Mr. Charles Vertue, senior partner of Beardsley, Bishop, said yesterday that the move was a logical extension of his firm's activities.

GLC gives pledge to Helix tenants

BY PAUL TAYLOR

THE GLC assured Helix Housing Association tenants yesterday, that they would not be made homeless. The council had earlier taken possession of 41 properties following a dispute over the terms of council mortgages to Helix

The GLC, which has lent the association £2.7m, claims that it is owned substantial mortgage arrears and that Helix has not met some of the other conditions attached to the loans.

The Housing Corporation, which has lent £2m to the association since 1974, is also attempting to secure repayment of loans outstanding and has been considering repossession of some properties.

Mrs. Jean Tatham, chairman of the council's housing management committee, said yesterday that she would take a personal interest in the welfare of Helix tenants affected by the GLC's actions. There was "no question of putting tenants out on the streets."

The council has set up an all-party committee to investigate its dealings with the association, which owns nearly 300 properties.

LABOUR NEWS

National ambulance strike threatened

By Alan Pike, Labour Correspondent

UNIONS WARNED yesterday that the country faces the possibility of all ambulance services handling only emergency calls from Tuesday week.

Shop stewards from the four public service unions representing ambulance staff will meet in London then to decide the next move in their pay *campaign. Mr. Terry Mallin*son, national officer of the Confederation of Health Service Employees, warned yesterday that time was "beginning to run out." He said ambulancemen would almost certainly be asked to extend the action if there was no improved offer.

A lasting settlement was needed which would reflect the emergency status of ambulancemen and reward them for the vital, skilful and often unpleasant nature of their work.

Ancillary staff at the Queen Elizabeth Hospital for Children in East London yesterday voted to take further strike action, although they have not yet decided when it will begin. They have just returned to work after a 48-hour stoppage.

Cabinet and TUC to view new pact

BY CHRISTIAN TYLER, LABOUR EDITOR

THE FINAL draft of a TUC-Government agreement on economic and industrial relations has been prepared for endorsement by Cabinet Ministers and the full TUC General Council on Wednesday.

The two TUC committees that have been preparing the document met Ministers finally yesterday, when a few amendments were made.

The agreement, hastily put together in a few weeks to repair the electoral damage done by recent strikes, is expected to contain no great policy surprises.

The TUC, which has refused to accept a Stage Four pay policy, has given the Government nothing that would alter negotiations in the present round.

Further ahead, the two sides have concurred on the need, stated by the TUC-Labour Party liaison committee, for a joint annual review of the economy to see what the country can afford in wages and investment.

However, no reference is likely to a relativities board, an idea canvassed recently by the Prime Minister and within the

Other joint economic objectives will be substantially restated.

On industrial relations, the TUC has rejected some of the more novel requests of Ministers—on the closed shop, for instance. But guidance will be given on picketing—to limit it to the premises of companies closely involved in disputes—on striking, and on adherence to the TUC's *rules for preventing* inter-union disputes.

The TUC has also promised to look at means of making it unnecessary for workers in sensitive jobs such as the emergency services to take industrial action, by giving them a form of wage protection.

But the main purpose of the pact is political rather than industrial. It will enable the Prime Minister to assert on Wednesday that the Government and unions once more see eye to eye—except on the present incomes policy—and may to some extent arm the Government against disaster if a snap election became unavoidable.

Iran contracts worry union

THE Transport and General Workers' Union has informed Mr. Fred Mulley, Minister of *Defence, that it will oppose* any redundancies caused by cancellation of Iranian defence contracts in Britain.

The union, which claims to represent most manual workers in ordnance factories and dockyards, says it is particularly concerned about loss of jobs in the Leeds plant

It asks the Minister to consider again the union's ideas for diversification

Union chief 'astonished' by Milne's decision

LORD ALLEN, general secretary of the Union of Shop, Distributive and Allied Workers, told a High Court judge yesterday that he was astonised when he heard that Mr. Edward Milne had decided to stand for Parlia*ment as an independent* Labour candidate in the February 1974 General Election.

The union, which had sponsored Mr. Milne as Labour MP for Blyth, Northumberland, for 14 years, had "desperately" wanted to re-nominate him as official Labour candidate, Lord Allen told Mr. Justice Foster.

But Mr. Milne had been *involved in a long-running dis*pute with Mr. Peter Mortakis, the Blyth Labour Party agent.

"We were trying in the interests of himself and the Blyth constituency party to get him to bury the hatchet with Mr. Mortakis," said Lord Allen.

Mr. Milne, 62, lost sponsorship as an MP and his right to office as an area organiser with USDAW because of his decision to stand for Parliament in opposition to the official Labour candidate.

He is *challenging the union's* right to deny him office and claiming salary arrears of about £14,000, or damages for loss of office.

He also seeks a declaration that since entering Parliament in 1960 he has been retained *in* the union's service and that after February 10, 1974, when Blyth Constituency Labour Party decided not to re-adopt him, he had been entitled to a post in USDAW not less favourable than area organiser.

Lord Allen said it became *quite clear that* Mr. *Milne* was not interested in "burying the hatchet" and continuing to work with Mr. Mortakis.

"He said he was not prepared to take up the pieces and contest the constituency as we wanted him to."

The *decision* had put Mr. Milne in breach of the union's Parliamentary representation scheme.

The hearing continues.

Drawing office sit-in over

By Paul Taylor

A DISPUTE involving 100 draughtsmen at Haverton Hill, Teesside, ended yesterday with the signing of an agreement guaranteeing delivery of a Bank Line container ship by next January.

Talks were held between British Shipbuilders, the company, and the men's union, TASS, before the men agreed to end their sit-in which began in mid-December.

A spokesman for the yard, part of Smith's Docks, said yesterday that the draughtsmen were to receive an "*ex gratia token payment*" to compensate them for loss of earnings while on strike.

The dispute was aimed at preventing recognition by British Shipbuilders of the Engineers Managers' Association — to which TASS is fiercely opposed. It culminated in the draughtsmen refusing to talk to super*visors who are members* of the EMA.

British Shipbuilders recently announced its intention of recognising the EMA. The Bank Line ship—which *it was feared may* have been built in Germany—will be built at the South Bank yard of Smith's Dock, which employs 1,000 men.

Key workers 'taken for granted'

THE PRACTICAL difficulties of giving key groups of workers pay *guarantees in return for* surendering the right to strike were immense, Mr. John Lyons, general secretary of the Engineers and Managers Association, said yesterday.

Power station engineers in the Electrical Power Engineers' Association (part of the EMA) have an agreement dating from 1974 under which their pay is related to that of the industry's manual workers. Provided this agrement was implemented, Mr. Lyons said there was no question of his members initiating industrial action over pay.

Key workers such as ambulancemen, water workers or nurses were now turning to industrial action only because they were in the same position as the electrical power engineers of a few years ago. "They and their services have been taken for granted, without any special recognition, by successive governments for many years."

Special agreements for such groups would have to be based on firm differentials "which should be proof against Government or other policies which undermine them."

THE WEEK IN THE MARKETS

The Bank catches up

IT HAS been an eventful week for the gilt market. A 1½ point rise in Minimum Lending Rate, which has now more than doubled in a year, following banking figures which suggested that the monetary targets were being significantly exceeded, and capped by the exhaustion of a tap stock, made for a certain amount of excitement. But the market, though anxious to be persuaded that a solid floor level has been reached, remains depressed by what it sees as the Government's political indecisiveness.

The rise in MLR was little more than an admission on the part of the authorities that the sharp rise in money market rates over the last few weeks had been justified. For the fifth time in less than a year, monetary policy has been tightened without the slightest fiscal adjustment—barring the raising of employers' National Insurance contributions to compensate for the Government's defeat on petrol duty.

With an almost embarrassing cut in the long tap price, amounting to over £8.50 including accrued interest since it was last officially supplied, the Government Broker managed to do some funding on Thursday afternoon and yesterday morning, when the stock was declared exhausted. There were also some sales of the short tap, at 4½ points below its price on issue three weeks ago.

The tap sales should soothe the market's worst fears about money supply growth in the February banking month, which ends next week. There was also relief that no new tap was announced yesterday afternoon; the market is being given some time to get its breath back. But gilts, though steadier yesterday, were still well down on the week as a whole and long yields are nudging 14.7 per cent.

Adding to the projected strain on corporate liquidity from higher interest rates are the total collapse of Government efforts to impose a 5 per cent wage rise ceiling and a sharp lift in manufacturing input costs.

Gold, black gold

Gold has led the way forward for other metal prices but all the evidence in London so far suggests that investors have been fuelling the boom through direct commodity purchases and largely ignoring gold mine shares. The oil crisis, on the

LONDON

ONLOOKER

other hand, has had a marked impact on Royal Dutch/Shell and British Petroleum.

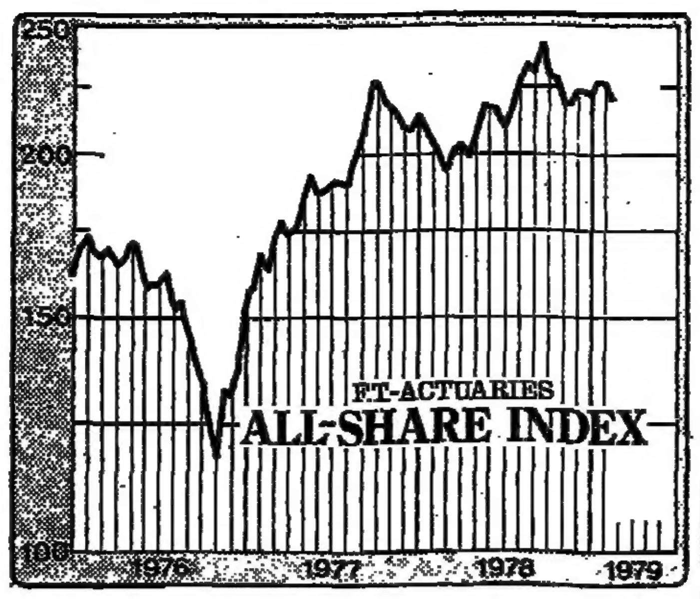
Crude oil prices have now reached $22 per barrel on the Continental spot markets and this marginal free market price is probably set to go higher.

The City believes that the crisis may be no more than a six-month wonder in profit terms and considers that Shell will fare rather better than BP since it is not drawing on external sources to anything like the same extent. Nevertheless, the majors are expected to receive substantial "windfall" gains in the shape of stock profits.

A decision by the Organisation of Petroleum Exporting Countries to lift the official delivered price of crude oil from the current level is by no means beyond the bounds of possibility and would be of direct benefit to other producers, at least in the short term.

Oils comfortably outperformed the rest of the market last week and are widely expected to repeat that performance as the new account opens. Some of the North Sea specialists have been especially strong on the view that their oil reserves are rising in value.

Reverberations from the industrial relations front and the gilt-edged pitch were sufficient to unsettle the market and, while the second line stocks held up reasonably well leaders slumped to the lowest levels for some 10 months.



Debt burdens

The direct consequence of the 1½-point rise in MLR was to heighten doubts as to whether United Dominions Trust and Town and City Properties, reporting last week, can ease their enormous debt burdens. UDT was only marginally down at the interim stage but, with around three-quarters of its instalment credit book tied to fixed rate business, annual profits are expected to fall substantially short of the previous £17.5m total.

Town and City has demonstrated its ability to stay afloat for so long that it is doubtful whether this latest interest rate hike will be sufficient in itself to block the group's dogged survival path. Interim results last week showed that the trend had been going in the right direction with the deficit reduced from £10.97m to £7.66m.

British Land actually returned to profit at the interim stage and the group has rescheduled its variable rate sterling loan portfolio to the extent that it can view the latest monetary gyrations without trepidation. Restoration of the dividend, however, may have to wait until the next financial year.

Imps and the Budget

If, as expected, the Chancellor adds a little fiscal ammunition to his monetary armaments in his next Budget, then Imperial Group can resign itself to a sharp fall in demand. Flattish annual profits of £131.1m had been broadly anticipated but many analysts had been projecting some £150m pre-tax for the current year.

Margins in the king-size cigarette have been improving, the food division has been effectively reorganised and the Courage brewing interests have been improving market share. All this could be undone in the short- to medium-term if, for example, tobacco duty is raised by 5p per packet of cigarettes. It is by no means certain that the Chancellor will hoist duties in real terms but valorisation (whereby duties are linked to inflation) still leaves plenty of scope for an unpopular Budget.

The bid scene was again dominated by the English Property Corporation saga and the most recent development—announced yesterday—whereby the Dutch suitor appears to have brought off a tactically powerful move in Canada, could prove the crucial blow.

Guthrie Corporation has produced a robust defence against the £122m bid from Sime Darby. A projected 40 per cent net total dividend rise and a revaluation to show net assets of 628p per share (Sime Darby is offering 425p) may prompt a higher offer.

Shares in Avery were wanted on speculation that GEC was finally going to make the offer which it first mooted last November, while Caledonian Holdings, already in receipt of an offer from London and Midland Industries, moved higher on the announcement that Comet Radiovision had raised its holding to 15 per cent.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978/79 High	1978/9 Low	
Ind. Ord. Index	450.7	−16.6	535.5	433.4	Industrial crisis and MLR rise
Govt. Secs. Index	64.8	− 1	78.58	64.64	Weakens further to 2-year low
Anglo-American Coal	765	+65	780	424	Domestic coal consumption hopes
Bath & Portland	46	− 5	83	46	Accounts delayed/Iranian problems
BP	958	+32	958	720	Prospect of increased revenue
Caledonian Hldgs.	107	+19	107	68	Awaiting bid developments
Costain Defd.	108	−18	146	104	Persistent selling
Gold Mines Kalgoorlie	84	+10	91	45	Sharp rise in bullion price
Guinness Peat	100	−15	130	93	Disappointing interim statement
HK & Shanghai	276	−32	360	203	Domestic and inv. currency advices
Int. Thomson	331	+44	331	245	Prospect of increased oil revenue
Jacks (Wm.)	36	+10	41	27	Bid approach
Kuala Lumpur Kepong	80	− 9	89	41½	Far-Eastern selling
Lloyds Bank	280	−13	306	242	Anticipating base-rate rises
Lucas Inds.	262	−15	336	240	Concern over BL situation
Moran (Christopher)	38	− 7	67	36	Reported irregularities in subsid.
Rolls-Royce	90	− 7½	120½	63½	Iranian contracts concern
Selection Trust	520	+24	520	375	Response to metal price boom
Shell Transport	620	+32	620	484	Petrol price increase
Stormgard	12	+ 5	18	5	Spec. demand/thin market

U.K. INDICES

Average weeks to	Feb. 9	Feb. 2	Jan. 26
FINANCIAL TIMES			
Govt. Secs.	65.09	66.21	66.70
Fixed Interest	66.49	67.76	68.92
Indust. Ord.	454.1	466.6	465.7
Gold Mines	180.1	167.9	166.8
Do (Ex $ pm)	122.0	113.3	113.6
Dealings mkd.	5,247	4,407	3,920
FT ACTUARIES			
Capital Gds.	224.77	230.82	229.60
Consumer (Durable)	199.07	205.15	205.12
Cons. (Non-Durable)	206.66	209.70	206.75
Ind. Group	213.33	217.60	215.91
500-Share	239.82	241.87	239.61
Financial Gp.	167.33	170.57	168.07
All-Share	221.48	223.67	221.20
Red. Debs.	52.67	53.61	54.27

TOP PERFORMING SECTORS IN FOUR WEEKS FROM JANUARY 11

	% Change
Mining Finance	+13.9
Oils	+ 6.7
Tobaccos	+ 5.3
Overseas Traders	+ 2.3
Property	+ 0.8
Investment Trusts	− 0.2

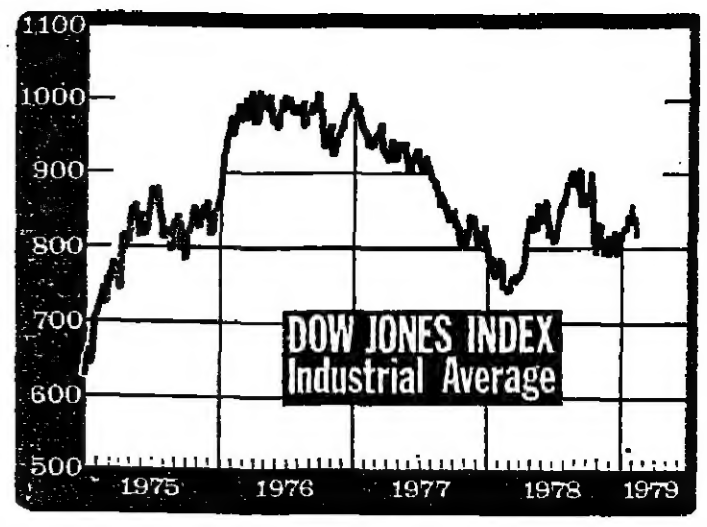
THE WORST PERFORMERS

All-Share Index	− 2.2
Pharmaceutical Products	− 6.5
Mechanical Engineering	− 6.6
Contracting, Construction	− 7.1
Insurance (Life)	− 7.5
Motors and Distributors	−10.3
Office Equipment	−13.8

NEW YORK

JOHN WYLES

Not for the faint hearted



WITH PRESIDENT CARTER, as Barron's the U.S. financial weekly observed recently, "there is never a live moment." It is difficult to recall a Chief Executive whose public utterances have been less attention grabbing in modern times. But Jimmy Carter can draw a perverse comfort from the fact that his cabinet officers are at times capable of turning his Administration into a sort of Tower of Babel. This at least is the impression from Wall Street which had been hoping that the Administration had learned a few hard lessons last year about the impact that its statements can have on the financial markets.

Energy Secretary James Schlesinger and Treasury Secretary Michael Blumenthal may have exchanged burning glances on Thursday about Mr. Schlesinger's statement the day before that the upset in Iran was "prospectively more serious" than the 1973-74 Arab oil embargo which, it will be remembered, did the western economies a power of harm. Mr. Schlesinger's doom laden observation may well prove to be accurate but the fact that it was not accompanied by any positive commitments to put the lid on U.S. energy consumption made it appear unnecessarily provocative. It drove the dollar down, pushed the world gold price to a new high, maintained the stock market's downward trajectory and apparently irritated the U.S. Treasury.

In Congressional testimony on Thursday, Mr. Blumenthal observed that his colleague's remark was "clearly the type of thing that causes people to run to gold." He went on to administer a sedative to investors in the shape of a reaffirmation that the U.S. was determined to counter disorderly conditions in the foreign exchange markets. Striving for a similar prescription, Mr. Schlesinger changed his emphasis a little on Thursday and declared that there must be no over-reaction to Iran. The situation was "serious" but not "critical."

Thus Iran, the dollar and Administration disharmony have made the stock market a difficult place for the faint-hearted this weeks the Dow Jones Industrial sently has a decided feel of skating on thin ice. In two weeks the Dow Jones Industrial Average has slid nearly 5 per cent from its 1979 high of 859.75 and the Standard and Poor's 500 has retreated by a similar amount. With a daily trading volume of around 25m shares this week, institutional interest is clearly scant and may well remain so after Friday's Producer Price Index. This equivalent of a wholesale price index leaped at an annual rate of 15.6 per cent in January, and goes some way towards confirming expectations of a 10 per cent or more inflation rate in the first quarter.

Barry Bosworth, the Director of the Council on Wage and Price Stability, who plays Cassandra on inflation some days and Polyanna on others, this week forecast a rate for the year of about 8 per cent which may be optimistic, given the impact of Iran on fuel prices, a possible 10 per cent or more increase in food prices, and recent price surges in metals.

The S and P 500 is currently selling on a price earnings ratio of about 8.3 to yield 5.45 per cent which is altogether unimpressive against a yield on short term money market instruments of more than 10 per cent and on long term bonds of more than 9 per cent.

Double digit inflation figures and historically high returns on fixed income investments offer little incentive for institutions to add to their equity portfolios, which presently account for about 50 per cent of assets. Ayatollah Khomeini's somewhat blurred vision of an Islamic republic, selling less oil and buying less military hardware has prompted some institutional house cleaning in the past week. Fuel sensitive stocks, particularly airlines have felt the draught and defence manufacturers such as General Dynamics and Boeing have also been sold off. Since gold is the 21 carat investment of the day, producers of the metal have had lustrous appeal. Dome Mines gained 2½ by last night while Homestake Mining and Campbell Red Lake have also been popular.

CLOSING INDICES

Monday	823.98	− 10.65
Tuesday	824.32	− 1.13
Wednesday	816.01	− 6.34
Thursday	818.87	+ 2.86
Friday	822.42	+ 3.55

FINANCE AND THE FAMILY

Joint tenancy in equity

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Referring to your reply under Tenants in common (January 6) is it possible to do the reverse to what the inquirer wanted, namely, where husband and wife are already tenants in common, will a letter suffice to change to joint ownership?

It is not possible to serve a "reverse" notice of severance i.e. a notice converting a tenancy in common into a joint tenancy in equity. What would be required is a deed of declaration of trust by which the tenants in common (who must be of full age and comprise the totality of the tenants in common) terminate the tenancy in common and declare a new trust, namely a joint tenancy.

Solicitor's fees for an estate

Referring to your reply under solicitor's fees for an estate (August 19, 1978), if a husband and wife are joint owners of their house, their shares, and anything else they may own (a) am I right in supposing that everything accrues to the survivor and if so (b) is there any need to obtain probate, or (c) if it is necessary to obtain probate, how can the executors avoid paying solicitor's fees on a scale which seems unreasonable?

(a) Yes.
(b) There is no need for probate if there is no property which is not in true joint ownership.
(c) If probate were necessary the executors could negotiate with solicitors retained by them a fee which is reasonable in all the circumstances—not necessarily a scale fee.

Investment trust liquidation

Could I please have your opinion as to the effective date of disposal of some Investment Trust shares held to liquidation. The decision to liquidate was taken at an extra-ordinary meeting on November 1, 1977. This was followed by a first payment of 60p per share on November 30, 1977, and a second and final payment of 23.821p per share on July 7, 1978. Allocation to the current tax year with its advantages of the 17 per cent tax credit would, of course, be most favourable.

The rate of credit (under s.112, FA 1972) is in fact 17 per cent for both 1977-78 and 1978-79, and the effective scale of CGT rates is the same for the two years; for some people, e.g. those with little or no income, 1977-78 has an advantage over 1978-79 (because the alternative charge is available for 1977-78, but has been abolished for 1978-79 onwards).

Under paragraph 3 (1 and 4) of schedule 7 to the Finance Act, 1965, you are deemed to have made a part disposal of your shareholding on November 30, 1977, and a total disposal on July 7, 1978. The apportionment of the pool cost of your shareholding can (provisionally) be made as follows:

1977-78 part disposal (30.11.77)—73.53 per cent.
1978-79 full disposal (7.7.78)—26.47 per cent.

The effective rate of credit will be lower for the 1978-79 full disposal than for the 1977-78 part disposal, because of the way in which the credit on disposals of partly qualifying shares is calculated (under subsection 6(b) of section 112 of the Finance Act, 1972). This answer could have been more helpful if you had given us details of the acquisition dates, etc., of your shares.

Blood group paternity

My daughter attests that a certain man is the father of her child, but a magistrates court dismissed the case on the ground that a blood group showed he was not the father. (a) Is there a case where a blood group finding has been successfully contested? (b) What could be the financial cost of contesting a magistrates decision?

(a) We do not know of such a decision; assuming that there is a positive finding ie that the blood groups are different. (b) The cost of an appeal is very difficult to assess, as much depends on the volume of evidence and the calibre of solicitors and counsel employed. We think that the risk in costs ie the costs payable on failure must be £2,000 to £5,000 depending on those imponderable elements.

Business loss and personal tax

My wife and I are aged 71. A business in my wife's name has been sold, but because of redundancy payments to employees will show a substantial loss for the year ending December 31, 1978. Can we have this loss set against our personal tax and if so can it be spread over a number of years?

The loss for the period from April 6 to December 31, 1978, can be set against your wife's 1978-79 income and your own (under section 168 of the Income and Corporation Taxes Act 1970), in the following order: (i) your wife's earned income; (ii) her other income; (iii) your own earned income; (iv) you other income.

If the loss for the period from January 1 to April 5, 1978, exceeds the profit for the period from April 6 to December 31, 1977, the excess can be set against your wife's income and your own for 1977-78 (or 1978-79), in the same way.

The 1978 loss (or the part of it not relieved under section 168) can be carried back against the assessments on your wife's profits for 1977-78, 1976-77 and 1975-76, in that order, under section 174 of the Taxes Act.

As the rules are complex, your wife will probably find it worthwhile to engage professional assistance with the taxation aspects of closing down her business, even if you have managed your tax affairs personally up to the present. No doubt the auditors will be pleased to help her in this respect.

Incidentally, if the redundancy payments exceed the statutory amounts due, the excess will not be deductable for tax purposes under section 412 (2) of the Taxes Act.

Jointly owned house

My ex-wife and I wish to dispose of our jointly owned house, in which I have been living since our divorce. Will my ex-wife have to pay capital gains tax?

You and your ex-wife should each ask your respective tax inspector for a copy of the free booklet of extrastatutory concessions (IR1, with a supplement), and look at concession D6.

If the facts do not fall within the scope of this concession, your ex-wife will face a proportionate CGT liability, under subsections 3, 4 and 13 of section 29 of the Finance Act 1965.

Gains on shares and unit trusts

I was very interested in the problem of Gains on Shares and Unit Trusts (January 6). My situation at present is as follows. Capital loss brought forward £3,670, capital gains this tax year to date £316 (£111 on shares, £205 on unit trust). I have quite a variety of unit trusts all showing profits except Scotbits, which shows a loss of about £1,000. I could sell several lots to realise a profit of a few thousand pounds (say, £5,000): In these circumstances would you recommend selling before April 5? And, if so, could you kindly set out the necessary calculations? Is a 'bed and breakfast' more suitable than a straight sale?

Whether you realise chargeable gains by simple sales or by bed-and-breakfast transactions is up to you: it depends on whether you wish to retain the shares or units in question in the hope of further growth.

If you are in a position to crystallise gains on non-qualifying shares as well as on qualifying units (for simplicity, we are assuming that you have no *partly* qualifying shares, etc., falling within subsections 6 to 10 of section 112 of the Finance Act 1972), an ideal plan would be to realise further non-qualifying gains of £3,924—in addition to the proposed qualifying gains of £5,000 and the existing gains of £316 (£205 qualifying). Your 1978-79 CGT assessment would then be:

Qualifying gains	5205	
Other gains	4035	
	9240	
less: Losses	3670	
Taxable amount	£5570	
Zero on the first	£1000	
15% on the next	£4000	=600.00
50% on the top	£ 570	=285.00
	£5570	885.00
less: 17% credit on	£5205	=884.85
Nom. CGT liability		£ 0.15

Inflation has overtaken a pensions watchword, writes Eric Short

Taking a long view

THINK TWICE before accepting a cash sum as part of your pension arrangements. In the past where a pensioner has had the option of swapping part of his pension for a cash sum it has nearly always been worth taking. But these days you may be better off to keep your full pension intact, particularly if you are in a scheme which pays regular increases to pensioners.

The traditional case for taking a cash sum is that it comes free of tax whereas the income you give up is taxable. But for many pension scheme members the lure of cash in the hand is almost irresistible anyway: the simple fact of having a few thousand pounds readily available, often for the first time in their lives, provides a powerful feeling of security. Although this attitude is understandable, the decision to commute should not be taken without doing some complex sums.

The usual pension commutation formula for 65-year-old men is that for every £900 of lump sum you take, you give up £100 a year pension. The ratio is £1,100 for every £100 in the case of a 60-year-old woman. Provided you have been in the scheme for at least 20 years, you can take a lump sum of up to 1½ times your final salary.

The problem for pension scheme members is to assess how their income position over the whole period of their retirement is affected by choosing the cash option. The distortions caused by inflation are likely to be considerable over the period. After all, a 65-year-old man can expect to live for about 13 years.

The tables illustrate how the problem can be tackled. But each individual needs to do his own calculations.

I have considered how a pensioner's position might change over 10 years assuming inflation averages 10 per cent per annum. I assumed the cash sum would be put in a building society or used to buy an annuity.

Most investors would probably choose an ordinary annuity—but in an age of inflation they would probably be wiser to buy a rising annuity. I, therefore, included an annuity increasing by 8½ per cent a year as well as an ordinary annuity where the payments are the same each year.

Looking at the investor's income position immediately after retirement, the best option by a long chalk is to commute his pension and put the cash in an ordinary annuity. Putting the cash in the building society was a poor second. Keeping his full pension was in third place and he would be worst off if he took the cash to buy a rising annuity.

But after 10 years the position is almost completely reversed, assuming he is in an inflation-proofed pension scheme. Commuting in favour of a rising annuity is in second place to keeping his full pension intact. Buying a level annuity is in third place and putting the cash in a building society comes last (though with this option he would, of course, have the consolation of still having his £9,000 capial to fall back on).

Full index-linking of pensions is almost unknown outside public service schemes, where members usually have no choice: they have to take the cash sum even if they would prefer a larger pension instead.

But many large private employers provide generous pension increases which come close to matching inflation. A recent survey by the National Union of Bank Employees shows that the banks, for instance, have paid large increases over the years. A man who retired in 1965 with a pension of £700-a-year would now be getting between 2½ and three times this from most of the big banks. Banks are typical of the kind of employers where employees should not throw away the advantage of a full pension lightly.

The conclusion is that many pension scheme members badly need expert advice on whether to commute. Many financial consultants have recently moved into this field and usually the employer pays their fees. And some pension consultants are now providing pre-retirement financial counselling as part of their service.

Bill Barden, of Sedgwick Forbes Employee Benefit Services who helped with the calculations, spends all his time on the retirement benefit service. Godwins, Noble Lowndes and other leading consultants offer a similar service.

CASH SUM OR FULL PENSION?

The figures are for a married man retiring at 65 on a salary of £6,000. He is entitled to an inflation-proofed pension either of £3,000 a year if he decides to commute for a £9,000 cash sum or £4,800 a year if he does not. Inflation is assumed to be 10 per cent a year; tax allowances and State pensions are assumed to be revalued to keep pace.

POSITION IN YEAR ONE

If he does not commute:	
Total pension (including £1,622 from State)	£5,622
Less tax	£1,289
Net Income	£4,333
If he commutes:	
Total pension	£4,622
Tax	£959
Net pension income	£3,663
If he invests the £9,000 in a building society his net income will be boosted to	£4,383
If he invests in a level annuity, it will be boosted to	£4,791
If he invests in an 8½% increasing annuity, it will be boosted to	£4,317

POSITION AFTER 10 YEARS

If he does not commute:	
Total net income	£11,238
If he commutes:	
Assuming he invested in a building society his total net income will be	£10,221
If he chose a level annuity it will be	£10,629
If he chose a rising annuity it will be	£10,979

Not a woman's world

INSURANCE
JOHN PHILIP

THAT MEN and women are different is an undoubted—even essential—fact of life. However the Sex Discrimination Act was passed in 1975, principally to give effect to the previous year's White Paper "Equality for Women," and those who subscribe to the precept "vive la difference" are now legally at fault unless they can bring themselves within the relatively few exceptions permitted by the Act.

One of the permitted areas of discrimination was created specifically for insurance and rules that differential treatment is permissible if based on actuarial or other data on which it is reasonable to rely. There is, for example, a mass of uncontrovertible evidence that here in Britain—and in many other parts of the world as well—the average woman lives longer than the average man, by around three to four years.

On the basis of such data as this, insurers have always charged women policyholders lower rates for life cover than they have required of men of similar age: at inception they notionally reduced by three or four years the woman's age, since age at inception is the principal rating factor. Conversely for a given purchase price, insurers' annuity payments for women are lower than those for men of equal age because those women must be expected to receive payments over a greater number of years—the original purchase price has to be stretched further.

Insurers writing disablement cover whether on an annually renewable basis or by way of Permanent Health Insurance contracts, have always discriminated against women, arguing that they are statistically more prone to disablement than are men, and not just for short periods. Practice has been to charge women substantially higher rates for PHI cover, or in the case of annually renewable policies to require the woman policyholder to accept a waiting period of seven or 14 days at the start of each period of disablement, for which insurers do not make any payment: in addition insurers may apply a premium loading.

As the Act has been in force for some three years the assumption must be that insurers have sufficient actuarial or other data as required by the Act because it is just not sensible to assume that a number of the longest established and most highly reputable offices will attempt to trade in contravention of the law. But recently, at the Actuaries Club dinner on January 15, Baroness Lockwood, chairman of the Equal Opportunities Commission was critical both of present insurance practice, and of the law established by the 1975 Act.

On insurance practice she commented "the EOC wonders just how reliable are the facts and figures relied on by the insurance industry. Consultations with the Continuous Mortality Investigation Bureau have revealed the paucity of data relied on by companies placing heavy loadings on PHI for women . . ."

And on the recently established law she had this to say: "The actuarial data exemption should only be seen as providing a temporary licence for differential treatment: it allows a period of respite for the insurance industry as a whole to work towards a service where there is no distinction between clients simply on the basis of sex. . . ."

Insurers hold that while there may not be perhaps as much data as they would like—and there scarcely ever is from an underwriting point of view—there is not a "paucity of data", and that there is sufficient on which to base underwriting differentials. Moreover, when the industry was involved in the discussions over the insurance exemption clause in the Act there was never any thought or suggestion that the actuarial data provision was a "temporary licence." As the Life Offices Association has rightly said, if Baroness Lockwood's views were eventually to be upheld, women buying life assurance, for example, would have to pay more for their cover than they do now.

The truth is of course that one swallow does not make a summer and a few deliberately controversial comments to a group of specialists do not predicate yet another change in the law and insurance practice. And it takes one woman to argue with another: a few weeks ago the journalist Sheila Black gave a talk at an Albany Life Investment seminar on how to sell insurance to women. She said "there are lots of people who tell you that there is no point in special policies for women. They are crazy. There have to be because whatever legislation says, women are different."

On the PHI front, according to the annual report and analysis of the PHI market produced last summer by PH Press, all of the 31 companies then providing individual cover were prepared to sell long term disablement insurance to women: two-thirds of them are recorded in that analysis as loading their normal male rates by 50 per cent, the loadings by most of the others not being specifically mentioned. But a newcomer to the scen, Langham Life, whose wares were not included in this analysis, is now offering PHI at the same rates to both sexes.

If the rest of the market is right then Langham Life would seem to run the risk of underwriting loss: and since the 1975 Act applies equally for the benefit of men and women, it is arguagle that the company stands liable to criticism that in charging the same price both for men and women it is discriminating against its male PHI policyholders.

Sleeping better at nights

MINING
PAUL CHEESERIGHT

IF LONDON market men have been looking a little perplexed this week, it is not through lack of conviction that precious and base metals prices will continue to move upwards. It is because the markets have been swinging alarmingly. The long-term trend seems clear, the pattern of day-to-day trading has been confused.

A general agreement seems to have been reached that President Carter and his Administration will not be able within the next few months to induce a decisive rally in the dollar. Add to this the atmosphere of economic instability engendered by the Iranian crisis and there is a tasty recipe, market men think, for further rises in metal prices.

The prospect of another energy crisis, bruited by Mr. James Schlesinger, the U.S. Energy Secretary, tends to enhance the argument: if everything is going to be topsy-turvy, better buy something solid like gold or copper.

Indeed, Mr. Michael Blumenthal, the U.S. Treasury Secretary, said as much himself. "Secretary Schlesinger's statement that the situation in Iran is serious is clearly the kind of thing that makes people run to gold."

And run they have. The London afternoon fixing on Thursday took over an hour to conclude. The price has been up to over $250 an ounce. The number of bids at this week's International Monetary Fund auction was very high. Hot money has been pouring into London.

Yet gold shares have by comparison been ignored. Certainly the level of London trading has been much higher than of late, helped by the keenness of competition among jobbers in their price quotations, but the movement in prices has not been proportionate to the rise in the bullion price.

The reasons for this are not wholly apparent. Certainly the yields offered by gold shares remain very high in comparison with those offered by domestic industrial equities. It is possibly the case that reservations remain about investing in South Africa at all. But fund managers have been tending to ignore equities, of whatever type, and have been seeking other forms of outlet.

The great weight of the money coming into London has been directed at commodities rather than shares and this has led to the analysis that the rise in metal prices has become self-feeding. This at least will make mine managers sleep a little easier at nights after a miserable couple of years.

But whether the market events of recent weeks will lead to a revival of investment, particularly in base metals ventures, is another question. It seems likely that the industry chiefs will prefer to wait and see how soundly based the price rises are.

While it is true that at least part of the rise in copper and lead, and the continued strength of tin, can be attributed to consumption demand there is little doubt that the dominant force in the markets now is the speculative and investment push. This has allowed U.S. copper producers, for example, to raise their prices to around 90 cents a pound, but they may feel that the market is not yet secure enough to warrant major investment decisions.

However, the financial position of copper companies was tending to improve even before the markets caught fire last month. This was especially marked in the case of Bougainville in Papua New Guinea and Palabora in South Africa, two members of the **Rio Tinto-Zinc** group.

Bougainville's net profits in 1978 were 68 per cent higher than in 1977 at K48m (£34.4m) against K28.5m. It declared a final dividend of 10 toea (7.2p), making a 1978 total of 15 toea, after 8 toea in 1977.

For its part, Palabora had 1978 net earnings of R25.7m (£14.8m), compared with R18m in the previous year. The final dividend was 27.5 cents (15.8p), making a total for the year of 70 cents against 45 cents in 1977.

It can be argued of course that these two companies are not typical of the industry as a whole. Both are low cost producers and managed to hold their heads above water even when the copper recession was at at its worst. Palabora has a large stake in the South African market and is therefore not so sensitive to the vagaries of the international scene, while Bougainville's extensive gold production gives the company a strength not shared by most copper producers.

But Canadian producers, helped it is true by the fall in the Canadian dollar, have also been producing better figures. **Sherritt Gordon Mines** has just had its best year since 1974 with 1978 net income of C$15.7m (£6.6m) against C$4.2m for 1977.

At Bethlehem Copper, 1978 net profits were C$4.4m (£1.85m) compared with C$0.9m the previous year and the fourth quarter figures were triple those of a year before. Mr. Bruce Reynolds, the Bethlehem president, predicts that the rise in copper prices which helped to achieve this will continue into the early 1980s.

But there have been no such confident predictions about the nickel market from **Inco**, the Canadian producer and international market leader. Although its recent resumption of the practice of publishing list prices indicated a greater degree of stability in the market, the 1978 figures and the analysis which accompanied them were sobering.

Net earnings for 1978 were $77.8m (£38.8m) against $99.9m for 1977. A fourth quarter dividend of 10 cents brought total payments for the year to 70 cents, or 55 cents less than the year before. There would have been a fourth quarter loss but for the settlement of tax issues from earlier years.

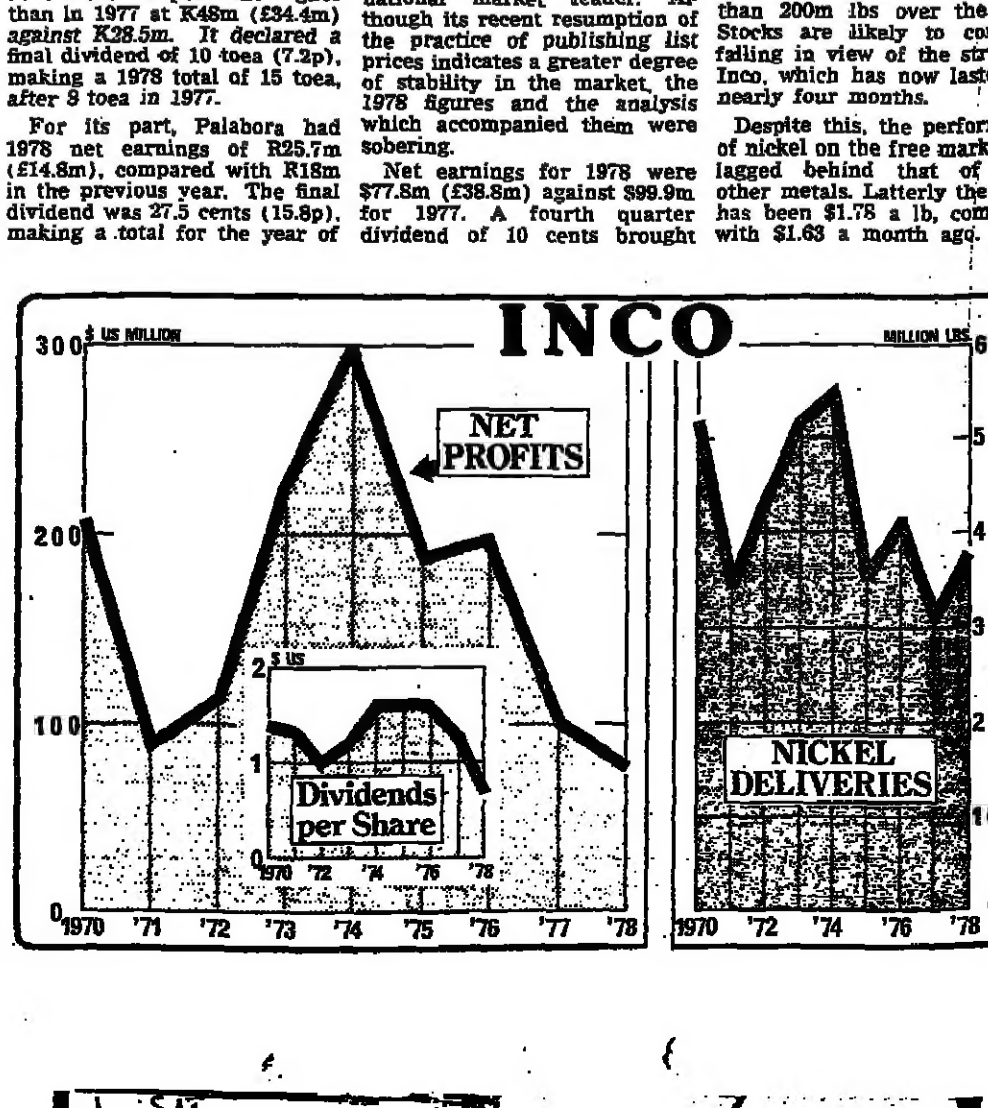
The group's main Canadian facilities are strike-bound—and this has cost $61m so far. The effects will continue into the current quarter. While the group has no need of the nickel production, it would no doubt welcome the platinum and cobalt by-products in view of the present strong markets.

Nickel deliveries during 1978 rose by 21 per cent last year, helping to bring the supply-demand equation back into balance. But Inco's stocks still remain at 230m lb, only 37m lb less than its 1978 production. The increase in sales is welcome in itself, but the average realised price was only $1.98 a pound against $2.17 in 1977.

Although the world's nickel producers were quicker to cut back their production in the face of a supply surplus than the copper producers, stocks still remain extremely high and a deterrent to any appreciable price rise.

Inco calculates that stocks held by producers in non-communist countries were about 550m lbs at the end of 1978, showing a decrease of more than 200m lbs over the year. Stocks are likely to continue falling in view of the strike at Inco, which has now lasted for nearly four months.

Despite this, the performance of nickel on the free market has lagged behind that of most other metals. Latterly the price has been $1.78 a lb, compared with $1.63 a month ago.



The wreck of the scholar ship

TAXATION
DAVID WAINMAN

CONSIDERING THE number of mariners who spend their whole lives trying to navigate a course through our tax legislation, it is remarkable how large are the areas which are still uncharted.

Sailing, and sailors, provide a happy analogy. There are hazards in the tax laws just as there are at sea. And there are intrepid or reckless souls who only seem happy when risking themselves and others around the rocks, shoals and races.

The comparison becomes rather more strained when we try to fit the chairman of the Board of Inland Revenue into this idyll: he is at times an elder brother of Trinity House, buoying wrecked taxpayers, and at others a coastguard trapping the contrabanders. But does he not also sometimes play Poseidon, whistling down the wind and then descend, deus ex machina, from an air-sea rescue helicopter?

Those who read this column are presumably seeking hydrography. So, the following is an indication just how many rocks there may be in what one might think should be a well charted channel.

University education is something which many high-earning parents wish to provide for their children. But if those parents, denied any but the basic grant, have to find the funds out of net income, then the total costs are very high.

Out of this conundrum was born the "scholarship scheme." And examining the obstacles to its parturition is at once enlightening and depressing.

The first principle is that scholarship income is not taxable in the hands of the recipient. Scholarships are not defined, but it seems reasonable to suppose that the tax legislators were thinking of monetary awards for educational purposes to children who have attained a certain standard. This is an exact description of the "award" of the basic grant by local authorities to all children who have achieved university entrance. So why should not the employer of the child's parent make a supplementary award?

So far as parents earnings over £7,500 (£8,500 from April 6, 1979) are concerned the reason why not is spelt out in S.61, Finance Act, 1976. If, by reason of an individual's employment, his employer provides any benefits or facilities of whatsoever kind to him or to members of his family or household, those "benefits in kind" are taxable as his earnings.

The way round this hurdle appeared to be for the employer to form a trust. He paid sums of money to the trustees, and the trustees awarded scholarships. Apart from breaking the direct link which is the only one which S.61 appeared to envisage, this proposal also seemed to enable the employer to say that he did not have any control over the scholarships and might not even know to whom they had been awarded.

But there were still a number of other worries. It was absolutely essential that the cash paid by the company to the trustees should not be "income" in the latters' hands. If it were, the trustees would be charged basic rate tax, and the additional rate of 15 per cent on this income under the 1973 provisions designed to tax income being received by discretionary trusts which had power to accumulate income.

Taxing the trustees would not really have mattered had the child been able to obtain repayment of that tax when the "income" percolated out of the trust to him. But here was an insuperable difficulty. Repayment could only be obtained if what the child received was "income for all purposes of the Taxes Acts." As we have seen, scholarship income is not, and therefore the tax would have been totally lost.

The solution suggested above was to ensure that the trustees were not taxable in the first place, by having the employer simply give them, periodically, amounts of money. Such gifts could be claimed not to be income so far as they were concerned.

The suggestion actually fitted relatively neatly with another of the scheme's requirements. If the employer were held to be making "annual payments" to the trustees, then he would be unable to get a corporation tax deduction. A deduction is only available if such a payment is made either for full consideration, or to a charity. The trustees could not pass either of these tests.

Annual payment is a phrase which has been exhaustively interpreted by the courts, but it seems clear that it must be payable under a legally enforceable obligation. A gift, or even a recurrent series of gifts, are outside its mischief.

The employer was, however, thought to be entitled to deduct the recurrent gifts in calculating his corporation tax liability. He would claim that his purpose in establishing the trust and in funding it was to promote goodwill between his employees and himself, and to enable him to recruit people of the right calibre. The onus lies on him to demonstrate that this is fact, should the Revenue dispute it. But there are decided cases on which he could lean for support.

That was how it was all thought to work. And then on June 14, 1978 old Douanier Poseidon changed his mind: the goods previously regarded as acceptable were declared contraband. The Revenue announced that they had been advised that the employer's (indirect) munificence was nevertheless taxable on the child's parent as a benefit in kind.

We may not approve of taxation by Revenue announcement—we may still hanker for the old principle of taxation only by clear words in a taxing statute. But should we ram these rocks in an attempt to sink them, careless of the probable damage to our own craft? Do universities teach children how to spell wreckless?

YOUR SAVINGS AND INVESTMENTS

Unit trust groups are getting in on the perks-for-investors craze. **Tim Dickson** reports

Joining the bandwagon

THOUSANDS OF unit holders could be in line for attractive perks as a result of the unit trust industry's latest marketing brainwave.

The idea is that companies which offer perks to shareholders should extend their schemes to take in unit trust investors. So far unit holders have almost completely missed out on the shareholders' perks craze but now several unit trust groups want to jump on the bandwagon.

A growing band of public companies now provide their shareholders with some form of perk—often a discount on their products—as a welcome, tax-free extra on top of the usual dividend pay-outs.

The idea has been around for many years but *has become much more popular recently* in a climate of continuing dividend restrictions. The perks range from dry cleaning discounts at Sketchley and reduced fares at European Ferries to Dundonian's macabre offer (if you're prepared to wait!) of a cheap funeral.

High Street furniture retailer Henderson-Kenton is the only company we know which gives shareholders and unitholders an identical perk, a 10 per cent discount on all purchases.

Elsewhere the feeling is that while units trusts may hold a large stake in companies which provide these extra benefits, unitholders are outside the scope of the schemes because they do not own the shares directly.

Hoping to redress the balance several unit trust groups—among them Save and Prosper, Target, Tyndall and Barclays Unicorn—are now fighting for perks parity for unit holders.

Target has already arranged a special wine offer through Grand Metropolitan's Justerini and Brooks subsidiary. Discounts on two cases were available last year to more than 30,000 unit trust investors in Target's preference and income funds while unit holders in the growth fund received a meal voucher worth £1.50p at Grand Met's Berni Inns.

While Target certainly is anxious to find more companies willing to follow suit, the Grand Met scheme is arguably little more than a conventional marketing ploy. The wine offer was exclusive to Target and not available in the same form to Grand Met shareholders.

Save and Prosper, meanwhile, has fired off letters to Trust Houses Forte, Cope Allman, Vaux Breweries and Scottish and Newcastle Breweries.

The response so far has been cagey. Companies are all too conscious of the possible administrative burden and the costs of providing perks for a vast army of unit trust investors as well as their own shareholders. On the other hand, many are keeping their options open in case the idea takes off.

Barclays Unicorn is keeping its plans secret for the moment, but confirms that it is looking "at all forms of shareholder discounts." Tyndall's inquiries are still at an early stage, but the possibility of securing cheap discounts for unitholders "is being seriously examined."

Against this background, Henderson-Kenton's progress report last week did not provide much encouragement. The group conceded that the nine-month-old *experiment had not* been a great success.

The chief problem, according to company secretary Mr. Howard Fair, has been how to publicise the scheme.

He says: "While we obviously want people to know about the discount, we do not want to be seen hawking our shares. In reality, of course, the perk is unlikely to be a significant factor in any investment decision."

According to Target, which recently asked clients for their comments, unitholders applaud efforts to secure discounts on their behalf.

Hugh Routledge

Target marketing director Richard Carswell: more to come

Ironically, it is a view not shared by Edgar Palamountain, chairman of the Unit Trust Association and head of M and G. He says: "Perks are a form of desperate gimmickry. Unit trust managers have better things to do and companies should concentrate on paying a good dividend."

In a new setting

INVESTMENT

EAMONN FINGLETON

IF YOU ARE to believe Michael Freedman, diamonds are the nearest thing in the investment world to a racing certainty.

He is a New York diamond broker who breezed into London this week to help Britons make an orderly exodus from paper money. His case for investing in diamonds is that prices have risen consistently since the War, the balance of supply and demand is immaculately stage-managed by De Beers and demand—*especially investment demand*—is unbounded.

If you are playing devil's advocate, you could probably stand each of these points on its head to argue that diamonds are the falsest market since the South Sea Bubble. But there is no denying diamonds' emotional appeal *and certainly* the message has already gone down well with East Coast lawyers and doctors seeking a refuge from inflation and President Carter's plunging dollar.

The big problem for diamond investors in the past has been that unless you have a spectroscope handy you have little idea what you are buying—stones that the untrained eye could hardly tell apart may vary in price by a factor of ten. Furthermore, when an investor is selling a diamond he has little protection against a dishonest dealer using the pretext of taking it away for examination to substitute a similar but inferior stone.

Mr. Freedman's Gemstone Trading Corporation is pioneer*ing an impressive* system to overcome these problems. His diamonds come sealed in a perspex slab. An identification number is also sealed in and you get a sort of logbook giving scientific details of the stone's quality.

To make the system watertight, Mr. Freedman throws in a Lloyd's of London insurance policy guaranteeing that the stone the logbook refers to is the one in the perspex.

Fine. But will diamond prices really go on rising forever?

De Beers controls 85 per cent of the world's supplies from an anonymous-looking building in London's Holborn Viaduct. It is certainly in the interests of De Beers and of the independent producers whose diamonds it handles to keep prices rising. But even the mightiest giants cannot always count on things going their way forever.

De Beers' hold on the market has been helped by the absence of any big new discoveries in recent decades. But how would the strange bedfellows in the De Beers cartel—among them Russia—react if, say, China made a major find?

In any case De Beers' record in controlling prices has not been as flawless as might appear. There was a sharp break in business in 1958 and 1960 and the market suffered from indigestion in 1974. De Beers' answer when world *economies go into recession is* to withhold supplies but this might not be enough if, for instance, dealers who buy on credit unloaded their stocks as a reaction to higher interest rates.

Michael Freedman (above) is pioneering a new way of selling investment diamonds (right)

The emergence of investment demand is more a curse than a blessing for De Beers: in the short-term speculators add to the upward pressure on prices, but they will want to get out eventually so they are a strongly destabilising factor.

In the long run what matters is consumer demand, which is cleverly massaged by De Beers' advertising campaigns. The company's biggest recent coup has been in Japan, where about half of all women enter marriage with a diamond engagement ring these days. That compares with only 9 per cent a decade ago.

And despite the trend for couples to live together before they marry, the engagement ring's place in the American *way of life apparently remains* secure—about 80 per cent of American wives have diamond engagement rings.

UNIT TRUST AND INSURANCE OFFERS

Money Monitor

Marking time

After Thursday's big new rise in minimum lending rate, the advice to savers must be: wait and see. The savings market is now so topsy-turvy that there is little to lose and probably something to gain by being liquid.

The ultimate demonstration of the market's confusion is that in the case of deposits of £10,000 or more the banks are offering better rates over three months than over one year: at Barclay's yesterday, for instance, the rates were respectively $13\frac{5}{16}$ per cent and $12\frac{3}{4}$ per cent.

For anyone investing for the longer term, the choice is unusually limited. Apart from gilts offering the equivalent of up to 15 per cent gross to a basic rate taxpayer over four or five years, there is little to go for. The best five-year rate for £1,000 among local authorities is 13 per cent from Woking, that's equal to only 8.7 per cent net to a basic rate taxpayer.

It compares with 8.45 per cent free of all tax over five years from the latest issue of National Savings Certificates—not a particularly good rate for basic rate taxpayers—though easy withdrawal counts for something. The rate looks better for high-rate taxpayers but for them the maximum investment limit of £1,500 is a major stumbling block.

The building societies, for once, are behind the game. Their main investment rate of 8 per cent tax-paid is under pressure from the Post Office Investment Account offering 12 per cent gross—particularly attractive to non-taxpayers.

Each-way bet

Nearly 500,000 Legal and General policyholders are being offered a special discount on normal life insurance premium rates—a rare if not unique event with a life company, writes Eric Short.

The offer has resulted from the need for Legal and General, in common with other companies, to tell policyholders of the new tax relief arrangements for life premiums. As it was having to circulate all its policyholders anyway, it decided to include details of a special offer on its Cashbuilder flexible endowment policy as well. Policyholders and their spouses are being offered a 4 per cent discount on normal rates.

Ted Tilly: the actuary approved

At normal rates for a 30-year-old man a £12 per month premium on this plan provides an estimated cash-in value after 10 years of £1,855—very much a run-of-the-mill figure. But if you take advantage of the special offer, the cash-in value for the same premium would be £1,929—about as good a figure as you will get anywhere.

Legal and General's life manager, Ted Tilly, says: "Our *actuary has calculated that the* saving in expenses will cover the reduction in premium. Other with-profit policyholders are not subsidising this promotional effort."

So it is an offer worth taking up—or is it?

As with all bargains, you should ask yourself whether you really need it. Some people cannot resist a bargain and regret it afterwards. The questions to be asked are:

- Can you afford the extra saving?
- Is a flexible endowment the best way of saving?

Flexible endowments are usually written as endowment policies maturing at age 65 but they have guaranteed cash-in values from the 10th year. The investor has considerable flexibility about when he takes his money, unlike with ordinary endowments where there may be hefty penalties for cashing-in early. But the investor has to pay for the flexibility: benefits from flexible endowments are lower than from ordinary endowments which run to maturity.

On an ordinary 10-year with profits policy for £12 per month, the estimated pay-out after 10 years is £1,954.

Small print

Still on the new life policy tax relief system, about 20m life policyholders have just received their latest tax codings and are probably cursing the Revenue for cutting their allowances. For most of them it will be the first they have heard of the new system. But how do the Revenue explain this difference? Not in a special footnote to the form as one would expect but tucked away in two sentences in note 15 of the usual accompanying explanatory leaflet.

The Inland Revenue is currently running a newspaper advertising campaign to explain the change. But one would have thought it would have been cheaper and more effective to have included a clearly visible note with the tax coding. But apparently, the Revenue is leaving the main task to the life companies.

To remind investors: from the next tax year, policyholders will, under most regular premium contracts, pay their premiums net of tax at $17\frac{1}{2}$ per cent and the life company will reclaim the balance from the Revenue. No longer will the investor get the relief through his tax code. Although millions of industrial life policyholders will be getting the tax relief for the first time, the life assurance industry in general is still wondering whether all the time, effort and expense in implementing the change was really necessary.

Income winner

The pick of the new crop of the guaranteed income bonds being advertised must surely be that of London Life. It is offering a 10 per cent return net of basic rate tax over a 10 year period, using a back-to-back combination of temporary annuity and with profits life insurance. The investor gets the advantage of tax relief on the life premiums but London *Life is not trying to bend the* rules to offer a return over a shorter period.

This rate is one of the highest on the market and comes from a "blue chip" life company—a necessary investment requirement for many investors.

PROPERTY

A look into the crystal ball

BY JOE RENNISON

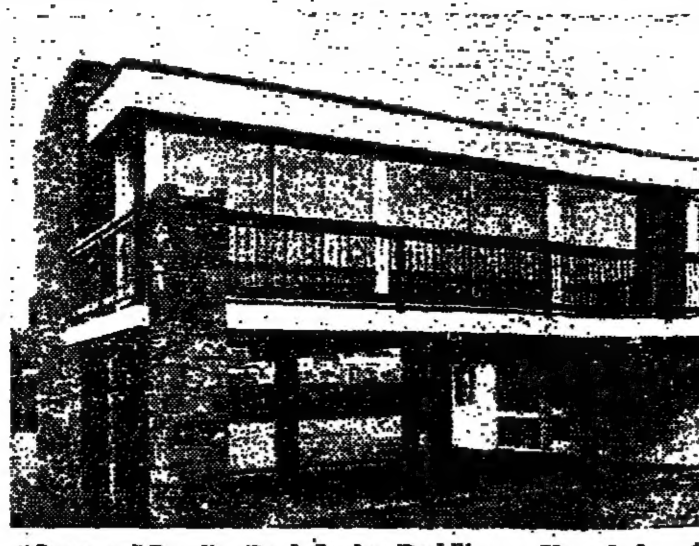
IT IS a bold move to put one self as a hostage to fortune by predicting what will happen to property in the forthcoming year. After last year's efforts most of us came out with egg all over our faces. The West End firm of Savills, however, are not to be put off. The joint senior partners say they feel there is an increasing need for national firms of surveyors to forecast trends. These are some of their views.

On London properties Nick Couper and Victoria Mitchell opine that "There is still a substantial difference in the residential values between London and the European capitals, a gap which will be closed far quicker if our political masters settle rather than shelve the European Monetary System.

Regardless of politicians, the lesson is clear. Everyone should be in property in some way and whether we are plagued by industrial strife or not, the market is so solidly based that current prices in our view will be maintained, and we foresee, in 1979, a continued rise in values of central London property.

The firm's partner in charge of agricultural land sees the future as follows: "1979 is Election Year, and land nationalisation was adopted at the Labour Party conference in October, 1978, as part of the party policy. If the Labour Party are re-elected and they stick to their manifesto, then certainly the private individual must wonder whether in the long term his best interests are served by continuing to own land. No doubt if that unhappy state of affairs does come to pass, then there will be certain exemptions for the so-called 'working farmer' but how these exemptions can be drafted to be discriminatory is difficult to see.

"Farm rents bear a measure of attention. They have increased 100 per cent in the last four years. Can we expect the same growth in the future? Unlikely, because rents are closely geared to the profitability of farming and that profitability is waning. Costs rise steadily every year and we have seen what we might call our 'honeymoon period' in the Common Market, when the catching up process was so significant. The average triennial growth of rents at present is around 47 per cent. It is my opinion that this will grow over the next 18 months fall to nearer 30-35 per cent as these various factors come into play."



"Seascape," Beaulieu Road, Cooden, Bexhill-on-Sea, Sussex, is for sale through the Cooden Office of Braxton Watson and Co. Offers of about £68,000 are looked for by the agents for the freehold. This is a house of striking individuality, with the living room and other principal rooms on the first floor to ensure uninterrupted sea views at all time. It is only 50 yards from the sea and within a quarter of a mile of Cooden Beach Golf Course and main line railway station. The accommodation comprises a living room, 33 ft. by 16 feet, south-facing balcony, superbly equipped kitchen/breakfast room of 29 ft. by 10 ft. 4/5 bedrooms, study, bathroom/w.c., shower room/w.c., utility room and double garage.

On country house properties Geoffrey Van Cutsem has this to say: "In the last 10 years, we have seen the whole character change from the fairly steady pedestrian market that existed prior to 1970, to a volatile market where house prices have become instant news, attracting immediate national comment and also, unfortunately, political interference.

It is this vulnerability to outside factors, both political and economic, that makes it so hard to give an accurate forecast on future prices and trends. Last year, Savills were over cautious, forecasting a rise in values of about 15 per cent and in the event the increase that took place was broadly speaking between 30 per cent and 40 per cent. When the market experiences a sharp rise over a two-year period and there are also political and economic uncertainties ahead, it is not unreasonable to envisage a period of consolidation and this is what I believe 1979 holds in store.

Greater demand for hotels

THE SURGE in the price of hotels and holiday flats experienced during the past 12 months has now put them outside the reach of many would-be purchasers, reports Bettesworths, the Torquay-based auctioneers and estate agents, in their annual review of the Torbay and South Devon hotels and leisure industry.

No longer will capital of £20,000 finance a viable proposition, and more and more buyers are turning to retail businesses instead.

With a wide variety of trades to choose from and with little specialist skill required, this sort of money will set them up with living accommodation, a business income of, say, £5,000 per annum and, above all, independence, says Mr. Bob Pamplin of Bettesworths Retail Business Department.

Alternatively they can start from scratch with vacant premises and under these conditions a very modest capital availability of £8,000-£10,000 will often suffice.

Many applications from the Midlands and Home Counties are now seeing the benefit of having bought their own homes perhaps 20 years ago. After discharging their mortgages, they may have £30,000 to £40,000 to invest in a business. The current choice for these more fortunate people is wide and includes, for example, a substantial sub post office-gift shop, freehold with three-bedroom accommodation at £70,000 producing a first-class income, a newsagents-confectioner at £57,000, or a modern self-service store with superb living accommodation, leasehold, for as little as £16,000. The choice is endless.

The one thing they can all offer, says Mr. Pamplin, at no cost other than effort, is personal service, and that will compete with the supermarket at any time.

But while the rising values of hotels may be pricing some people out of the lower end of the market, sales are not suffering. Bettesworth's hotels department has sold more than 100 hotels in the past 12 months with their total value exceeding £7m.

The escalating prices reflect the strong demand with an increasing number of hoteliers moving to the South West from other major resorts in particular Blackpool and, to a lesser extent, Bournemouth.

"There is a general feeling of confidence within the hotel industry with a great reluctance on the part of many to leave a field which has served them well," says Mrs. Maureen Bettesworth, partner in charge of the hotels department. "Chances relating to Capital Gains Tax in last year's Finance Act, particularly the relaxation of 'roll over' to any business, has had the effect of stimulating demand.

"The future must be one of steady growth of hotel prices in the face of continuing inflation but many businesses will not remain viable propositions unless tariffs show a similar increase to prices. Much will depend on the political outcome in this year ahead," she says.

Prospective buyers must now be prepared to pay an average of £5,000 per bedroom for a well established, good quality, medium sized hotel.

A little more than a decade ago the village school at Sutton, near Pulborough, West Sussex, was closed and eventually sold at auction. Following conversion this attractive stone and flint building, standing in the centre of the village, emerged as a comfortable home. Renamed Old School Cottage, this property is now on the market and will be offered for sale by auction by King and Chasemore on Wednesday, March 14, 1979, at the Pulborough Salerooms. It is expected to fetch about £40,000. Accommodation, which is at present arranged on the ground floor, includes sitting hall, living room, kitchen/breakfast room, bathroom, inner hall and two bedrooms. There is considerable scope for further modernisation and extension, particularly in the large area of roof space as yet unused.

Living with the circus

Kerry Packer

CRICKET

TREVOR BAILEY

MY FIRST experience of World Series Cricket was the grand final, billed as a super-test, in which Packer's Rest of the World beat his Australians by five wickets to capture a $A61,000 prize. This winner-takes-all bonus was shared out among a group of South Africans, Pakistanis and Englishmen captained by Tony Greig. It was a bitter disappointment for Ian Chappell's Australian XI, who also had been defeated in the limited overs final by the West Indians. In less than a week a jackpot worth nearly $A100,000 had slipped from their grasp.

The match took place on the Sydney Test Ground and the pitch was good which made the low scoring hard to explain. The fielding and wicket keeping was excellent, the bowling, almost entirely pace and the batting, apart from one exciting, Gower style innings from Hookes, some brilliant strokes from Zaheer and Procter and a match winning century from Barry Richards largely undistinguished.

What was rather surprising, considering the two sides had been living in the same hotels throughout the season was the obvious hostility between individual players and the game contained more aggro than normally encountered in a genuine Test series. The reasons were obvious. First, the bouncer was employed by both teams as a stock, rather than a shock ball. Secondly there was the obvious antipathy that existed between the two captains, Ian Chappell and Tony Greig which bubbled over again after the match, verbally and in print. Thirdly, the amount of prize money seemed to increase the tension. Finally, the teams contained several players with very fiery tempers and a partiality for basic expletives.

The outstanding act of chivalry in a bitter battle came from—some may be surprised—Ian Chappell, when he signalled that his catch at slip had just failed to carry, although Procter had been given out and was on his way to the pavilion. A wicket at that moment could well have meant an Australian victory which was worth more than £3,500 per player. Would they all have been as honest?

The Sydney game marked the climax and the end of the second year of W.S.C. in Australia. Clearly much has been learned from the inevitable mistakes and losses of their first season. The present Packer package both live and on the TV screen is attractive, a brilliant marketing operation full of imagination and new ideas. He has literally sold cricket to the public and in the process discovered many new supporters, especially in that vital sector, the young.

Kerry Packer possesses several advantages over cricket's traditional administrators, sixty of the best and most colourful cricketers in the world under contract, a television station, a good cricket commentating team which is not only far superior to the one covering the Test Series, but as he pays their salaries, tend to rapturise over the cricket they present, a big well directed publicity campaign, personal power, determination and passion and, finally, very substantial funds.

Although in England there has been little, or no interest in the outcome of seemingly endless permutations of WSC Games involving Australia, the West Indies, The Rest of the World, it would be most unwise for cricket lovers at home to ignore what has been happening out here, because these events will inevitably affect first class cricket everywhere. Emphasising this point is the fact that Packer's Australians and West Indians start an unofficial series in the Caribbean shortly, which undoubtedly will draw the crowds and create considerable interest.

The highlights of WSC this winter have been the two competitions between Australia, West Indies and the Rest of the World for big prize money. The first were limited overs matches in which the three competitors met each other in a number of games to decide which pair should compete in the five game final, and was won by the West Indies.

The one day matches certainly caught the imagination of the public and provided some memorable television. They drew capacity crowds at Sydney twice, where the games had the additional novelty of being played at night and at Brisbane, while more than 45,000 turned up at a ground well outside Melbourne.

Although limited overs cricket has been played in Australia for several years it has never caught on to the same extent as in England, where the Gillette and Benson and Hedges finals are established major events. The WSC One Day Series much of which took place under lights with lines drawn to stop ultra defensive field placings and plenty of outstanding strokemakers brought a new dimension to this particular form of the game out here.

The second competition was the WSC version of Test Cricket which had several differences from traditional tests, apart from the fundamental that the players were not chosen by their country's selectors. Although each match was allocated 30 hours playing time, these were split up into the following sessions over four consecutive days, 1.30-3.30, Tea, 4-6, Dinner, 7-10.30. The last period was something of a killer, but it did allow people to see cricket who were unable to take time off in the day. The players certainly were unable to take time off in the day and certainly had to work for their money.

The big novelty was cricket under floodlight combined with a white ball and black sight screens. It makes fine spectacle and obviously there is a real future for night cricket in Australia where the lights are superb and the climate ideal.

Spectators found the white ball easy to follow in day or night, while it was perfect for television. The players had no difficulty sighting, though the bowlers complained it did not swing but liked the sharp seam, and the batsman thought it lost colour too quickly.

Less significant though liable to give a traditionalist apoplexy were the brightly coloured clothes.

There is no doubt the WSC will continue and the prize money increase. Mr. Packer was obviously delighted with the outcome this year and he is to be congratulated on the ingenuity and imagination he has shown. The increased gates were a bonus but the really important factor was the entertainment WSC provided on Australian TV screens.

TRAVEL

The approach to Venice

BY RICHARD COWPER

NO OTHER CITY has exercised such a lasting hold on the imagination. Of the hundreds of famous artists and statesmen who have flocked there over the centuries, many have loved it, many have hated it, but rarely has anyone expressed himself indifferent to it.

With its fabulous art treasures, its exquisite architecture constantly changing colour in the light reflected from the canals which are the city's streets, and its air of luxurious decadence, Venice seems to defy description. Not that everyone, from Petrarch down to Mary McCarthy, has not tried to capture it. Of one thing you may be certain, though, whatever you say or feel on first beholding this shimmering jewel has certainly been said or felt before.

Those who have never visited Venice may know it second-hand through the paintings of that "foul son of a deal board" as John Ruskin so unjustly called Canaletto, or perhaps from the precious almost decadent atmosphere of the film of Thomas Mann's novella, Death in Venice, though in fact most of the action was shot on the Lido, just across the lagoon.

For historians of architecture, Ruskin's mammoth work, the Stones of Venice, may be a touchstone. Or for music lovers, the wonderful celebration of light and happiness that characterises the best work of Antonio Vivaldi—that eccentric priest of 18th century Venice, who is said to have rushed out in the middle of celebrating mass to jot down a tune that had come into his head.

Make sure you get off the train either at Padua or Mestre, for to enter Venice by the backdoor—across the only bridge to the mainland—would be sacrilege. Being built on water the city needs to be approached by water—arriving by bridge on what is the only ugly side of the island is like turning up at a grand ball through the tradesmens entrance.

If you are coming in summer it is worth stopping a night in Padua, and then taking a boat up the Brenta canal, seeing all the magnificent summer residences of the once great Venetian noblemen on the way up. The boat will deposit you just outside the entrance to the Grand Canal, not far from St. Mark's Square.

You may be asking why I am spending all this time on describing something as simple, in this modern age, as getting to a place. The first view of the Venetian skyline with all its towers and domes set off by the light of the lagoon is likely to be the most memorable of all your impressions.

Sailing in along the Riva degli Schiavoni past the church where Vivaldi once taught music, the first thing to strike your eye—apart from the beauty of the overall setting—will be the monastery island of St. Giorgio Maggiore on your left, with its exquisite church designed by Palladio, the most famous of all Italy's Renaissance architects.

And here, for the first time, you come across an example of the extraordinary passions which Venice has aroused in her visitors. Ruskin had a love-hate relationship with the city for as well as housing the paintings of his beloved Veronese, Venice was the home of what he called that "pestilential art of the Renaissance." Ruskin was a lover of the Gothic and Palladio was anathema to him. "It is impossible to conceive," he said, "a design more barbarous, more childish in conception, more servile in plagiarism, more insipid in result, more contemptible under every point of rational regard," than that of St. Giorgio.

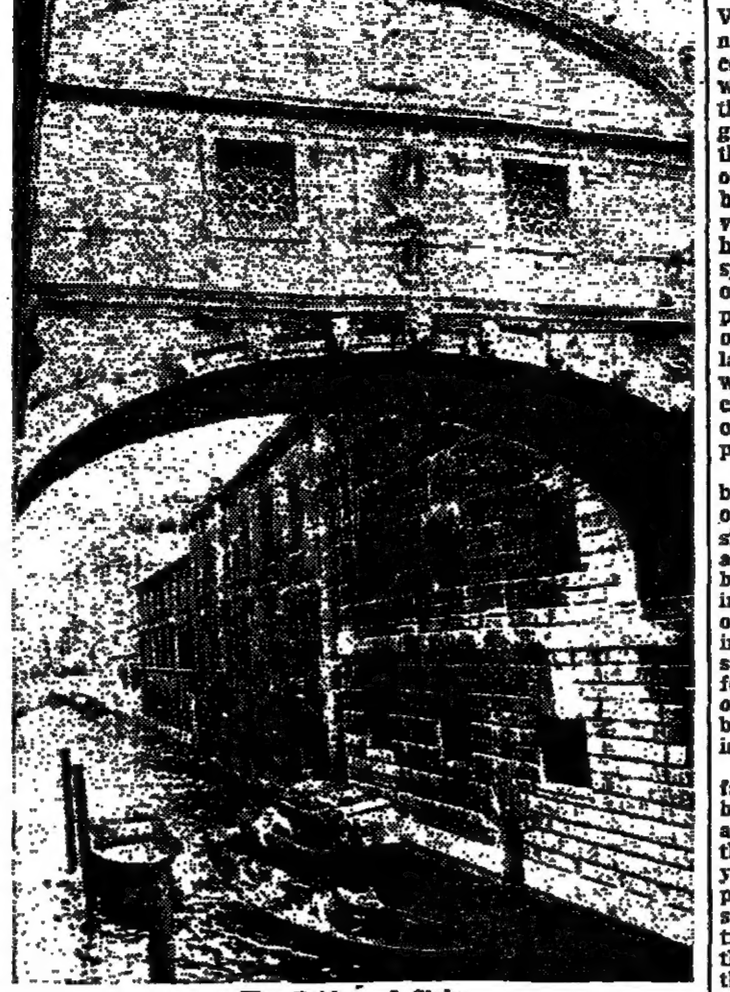
For Goethe, on the other hand, Palladio "opened the way to all art and life as well," and he thanked God to have done with all that Gothic "junk" by which he was surrounded at home in Germany.

When you have had time to recover from Ruskin's venom you will notice in front of you, at the entrance to the Grand Canal, the Salute—a great domed church built in the 16th century to commemorate the ending of the plague.

And on your right you will see, just past the Bridge of Straw from which you will later gaze on the infamous Bridge of Sighs (across which so many prisoners of state made their last walk before execution), the faded pinks of what must be the grandest town hall in the whole of Europe, the Doges Palace.

And then at last, just as the boat comes in to dock, there is the Piazzeta (the small square), with its two great pillars of marble stretching into the sky, and behind it the tall but solid companile (tower) of St. Mark's and the Byzantine domes of the city's fairy-tale cathedral.

Later you will read what great poets and artists have said and thought about the city, and discover for yourself those favourite buildings and paintings. You will learn that Venice was once the world's foremost naval power and of how she grew rich on loot from the Crusades. You will stand at the very place from which Byron swam the Grand Canal and marvel at how a city of less than 150,000 once managed to support 12,000 courtesans.



The Bridge of Sighs.

WINTER SPORTS

ARTHUR SANDLES

ODD THING, skiing. This morning produced very much "give up" conditions here in Muerren. It was snowing heavily and what others might have regarded as a light mist to me was thick fog. The flat light masked every bump and gully and the piste markers were invisible. By lunchtime I was ready to retreat to the alpine comforts of my hotel and spend the afternoon writing.

But scarcely had the boots been discarded and skis tucked away than the fog lifted, the snow stopped and there was a mountainside covered with deep rompable new powder. Life was not so bad after all and out came the boots and the skis once more. It is the second day in succession that the weather has done this. Tomorrow I'll stay in bed a little longer.

The skiing in Muerren itself is not extensive, but sufficiently varied to be interesting. The north-facing slopes mean the village keeps its snow when others lose theirs. Lack of snow is no problem this year, however, we are armpit-deep in the stuff.

The heavy falls have produced a nice mix of piste. For much of the time the runs consist of that firm thick base which makes us all feel as if we can ski like Killy in his prime. On the steeper slopes, however, such as on the famed Kandahar run, the lack of snow early in the season shows. Here the thick new powder is easily displaced to reveal the occasional icy patch. Having stumbled upon the Kandahar by accident on my first foggy morning I treated it with the respect it, and my soft city muscles, deserved.

In these conditions I say another quiet prayer of thanks to whoever invented contact lenses. Skiing in a blizzard, or even skiing in deep snow, in glasses can be extremely difficult. This morning after trying a smoked goggle lens and the yellow, I still could not get rid of the flat shadowless effect. Eventually I discarded goggles altogether and saw much better—without contact lenses that would have been impossible.

SNOW REPORTS

EUROPE		
Bormio (It.)	40- 80 cm	Good skiing above 2,000m
Isola 2000 (Fr.)	170-240 cm	New snow on good base
Val d'Isere (Fr.)	145-225 cm	New snow on good base
Grindelwald (Sw.)	25- 120 cm	New snow on hard base
Verbier (Sw.)	70-170 cm	Excellent skiing where open
Wengen (Sw.)	27-100 cm	Good skiing on upper slopes
Kitzbuehel (Aus.)	15- 90 cm	Skiing good above 1,000m
St. Anton (Aus.)	65-160 cm	Upper runs closed, avalanche danger

European reports from Ski Club of Great Britain representatives.

THE U.S.		
Sugarbush (Vt.)	12- 34 ins	New powder. All 70 runs open
Stowe (Vt.)	15- 35 ins	New powder. All 29 runs open
Hunter (NY)	35- 78 ins	New powder. All 35 runs open
Park City (Utah)	53- 79 ins	Packed snow. All runs open
Aspen (Col.)	32- 56 ins	High winds. Snow expected
Squaw Valley (Cali.)	30-102 ins	Much fresh powder. All open

Figures indicate basic snow depths at top and bottom stations.

SCOTLAND

Cairngorm:	Hard snow all runs. Access, slight snow.
Glenshee:	New snow, hard base. Access, slight snow.
Glencoe:	Powder on firm base. Access, icy.
Lecht:	Hard snow, icy patches. Access, slight snow.

Vegetables old and new

GARDENING

ARTHUR HELLYER

VIRTUALLY all breeding of new vegetables is done for the commercial market since that is where the big demand, and therefore the money, is. Private gardeners must make do with the spin-off from this breeding or with old varieties developed before the present need for vegetables that can be harvested within a very short space of time, often at one operation. Unless one is planning to deep freeze most of the crop, this is the very last quality required in gardens where the ideal is a variety that can be harvested little by little over as long a period as possible.

That is why I prefer Calabrese Express Corona to any other broccoli I have tried since each plant gives one sizeable dark green head followed by a lot more in ever diminishing size. How long one goes on cutting depends on how willing one is to deal with small sprouts, but this last year I found it worth my while to go on gathering well into November having cut my first heads in July.

For some reason there are far more tomatoes specially bred for the home garden than any other vegetable. The one that impressed me most last year is called Arla and has been produced by the wholesale seedsmen Hurst who are distributing it for the first time this year in pictorial packets through the usual retail channels. Last spring they sent me three seeds, that being all they could spare, and they did not arrive until well into May by which time my main crop of tomatoes, of the variety Kema, was already well established in the greenhouse. I sowed individually in small pots and planted the three seedling without any root disturbance, growing them under glass as I thought it was too late to expect ripening outdoors. In this I think I was mistaken for the plants came into flower incredibly fast and fruits were beginning to ripen only a few days later than those of Kema sown at least six weeks earlier.

Arla is a bush tomato which needs no staking and should be allowed to retain all its side shoots. The fruits are small and get smaller as the season goes on but they are numerous and sweet and this seems an ideal tomato for growing outdoors in our uncertain climate. Hurst recommend that it should be sown about six weeks before planting time and that it should not be planted out in the south before June 12 and north of the Humber about June 22. They also suggest three-foot spacing but my late-sown plants did not make sufficient growth to justify that.

Another interesting tomato is Sweet 100, an odd name chosen, I imagine, to stress the excellent flavour and extremely prolific fruit production of this variety. The fruits really are small but there can be scores of them in a single truss. This is a variety that should be restricted to a single stem, well staked, with all side shoots regularly removed. It is clearly of interest only to the home gardener since the fruits are far too small for the market place.

By contrast Tigerella was specially produced at the Glasshouse Crops Research Institute for the commercial market but never seems to have had much success there. The idea was to breed a tomato of outstanding flavour and make it so distinctive in appearance that it would be immediately recognisable in the shops. For this reason it was given a striped, red and yellow skin and this may well have put buyers off by suggesting that it was diseased or imperfectly ripened. Now Tigerella is apearing in the seed catalogues, in one with the sub-title Mr. Stripey which might make it popular with children. It deserves to succeed for it is a good tomato, free of greenback that troublesome weakness which keeps the fruits of some tomatoes yellow and hard around the stalk. Tigerella is also sufficiently early ripening to be grown out of doors.

Thompson and Morgan are offering a vegetable oddity which they call an asparagus bean, a name I have not met before. An illustration in colour shows a tall, apparently twining plant carrying an immense crop of exceedingly long, thin beans. It is suggested that when these are cut into 4 to 6 inch lengths they look, and cook, like slender gourmet beans.

Neither aubergines nor capsicums (peppers) are any longer in the experimental class and there are some good new, or newish, varieties of each on offer this year. Aubergine Slim Jim appears in several of the seed lists and is a purple fruited variety in which the colour also extends to the foliage which is violet tinted and quite decorative. The fruits are long and sausage shaped in contrast to the egg-shaped black fruits of Slice-rite which can be very big and weighty.

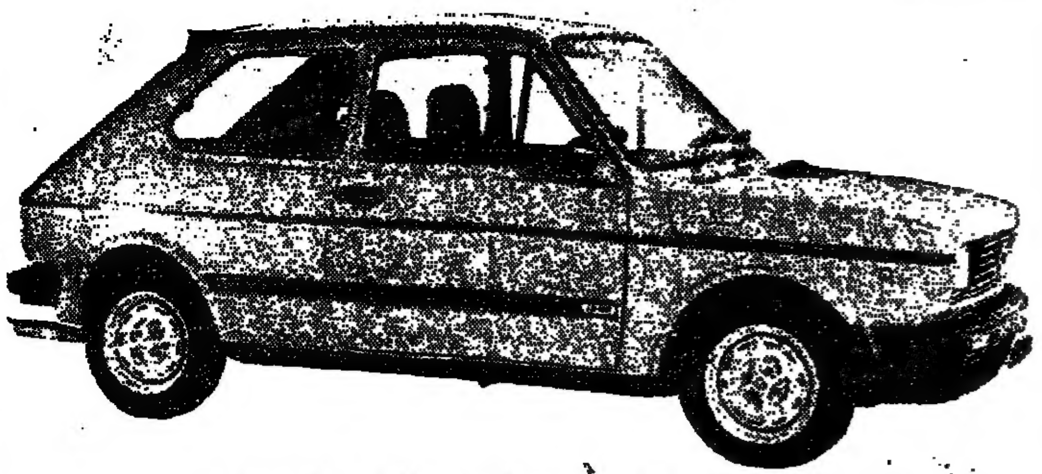
Peppers are split into sweet and hot varieties, the former being far the most popular and generally useful. Canape is fast becoming one of the most popular of these sweet peppers though a newcomer named Early Prolific could be worth trying since it is said to ripen even more rapidly, which can be important in our climate. Peppers grow well in pots or growing bags and might well be considered by those who do most of their vegetable growing in patios or on balconies.

Coming to more mundane vegetables I find leeks exceedingly useful as they grow and crop well, suffer little from either pests or diseases and can be left outdoors all winter to be dug as required. Strain has always seemed of more importance than variety, which simply means that all inferior plants must be removed from the seed crop before the plants come into flower. For this reason I used to rely on one of the oldest varieties, the Scottish raised Musselburgh, purchasing my seed from a reliable firm so that I could be sure it had been well selected but these past two years I have been growing a new variety named Catalina and have been very satisfied.

I also find brussels sprouts well worth the rather considerable amount of ground they occupy for the modern first generation hybrid varieties crop well and stand over a long period. I grow Peer Gynt, always described as an early variety which raises the image of a brussels sprout ready in August and finished by October. In fact I am still picking from it though admittedly the sprouts are no longer of first-class quality and it would have been better if I could have found time to pick and deep freeze in the autumn.

The most profitable vegetable for gardens in my view is the runner bean which can be grown on fences or walls or trained up tripods or on conventional bean poles so taking most of its bulk up into the air and occupying astonishingly little ground space in proportion to the enormous crop it is capable of producing. Enorma has been my favourite variety for years but, as with leeks, I think strain is really more important than variety and even an old timer like Scarlet Emperor can give excellent results if it has been well selected. What has bothered me these last few years is poor germination outdoors and I have now abandoned outdoor sowing in favour of raising the seedlings in boxes and planting out in early June.

MOTORING



Go faster Fiat. A 40 per cent power boost gives the Fiat 127 Sport a top speed of around 100 mph.

Souped-up version

BY STUART MARSHALL

ONE OF THE customers Fiat must have aimed the 127 Sport at is the young man who would prefer an MG Midget or a Fiat X1/9 but has to have room for a couple of children in the back. I think he will love the car, but I'm not so sure about his wife.

As always, when a small family car is warmed up to make it go faster, there are losses as well as gains. The Sport has the same 1,050 cc engine as all the other 127s except for the basic model but its output has been boosted from 50 bhp to 70 bhp. The 40 per cent increase has been achieved by enlarging the valves, changing the camshaft, increasing the compression ratio and fitting a twin-choke carburetter and free-flowing exhaust.

The difference is impressive. The Sport takes only 14 seconds to get from a standstill to 60 mph—which keeps it in front of a Mini 1275GT—and has a maximum of around 100 mph.

On the debit side, very little of this power is on tap at less than 3,000 rpm. The way to make the Sport really go is to keep your foot down and stir the gear lever. Then, with engine singing like an operatic tenor, it is a quick, entertaining little car in the old Mini-Cooper tradition.

It could, I suppose, have been a carburetter fault, but my test 127 Sport was a reluctant cold starter, needed the choke for the first spluttering mile and, even when thoroughly warm, nearly died if I opened the throttle wide at 25 mph in third, or 30 mph in top.

Still, this unpleasantness when used as a domestic runabout is really only an automotive champing at the bit. The Sport likes to be off. The rev. counter is yellow lined at 7,000 rpm but most owners who have to pay for their own petrol and repairs will probably regard 6,000 rpm as a reasonable top limit. At that it is showing 40 mph in second, 60 mph in third and 90 mph in top. The engine is then so strident you would need headphones to listen to the radio but it seems to be running smoothly enough.

At a motorway 70 mph the noise level is more reasonable. I think it a pity that Fiat have considerably lowered final drive gearing to give the Sport extra acceleration. With the standard 127 ratios it would be lively enough for most owners but less frenzied on a long fast run.

Servo assistance and larger front discs, wider wheels and a stouter front anti-roll bar allow the extra performance to be used safely. Even with four up and a boot full of luggage, the Sport is quick and tidy handling over winding roads.

All-independent suspension gives a surprisingly good ride and rough surfaces do not throw it off line on corners. The steering is light and, for ease of parking, the Sport rivals a Mini.

The driving position is excellent once you get used to the pedals being offset to the left and the small, padded wheel is nice to hold. High backed seats with built-in headrests are fine for safety but obstruct visibility, especially when joining a main road at an angled junction. I found the black trim and head-lining oppressive. The 127 is astonishingly roomy for so compact a car but the sombre inside made it seem smaller than it really is. Although there is a high rear sill, the boot is not difficult to load and can be extended by folding down the back seats, separately or together. Sensibly, the spare wheel is under the bonnet; you have to lift it out to refill the screenwash reservoir.

Tinted glass, a rear screen wash-wipe, brilliant halogen headlamps, full instrumentation including an oil pressure gauge and a quartz clock are all part of the standard package at £2,943. You can tell the Sport from lesser 127s in a number of ways. The colours are special—mine was the kind of orange they paint things in factories when they don't want forklift trucks to run into them. The black external plastic trimmings range from the practical (like side rubbing strips and front air dam) to the cosmetic (an aerodynamic spoiler on the roof and a funny little fence around the heater intake). Inside, the stylists have run riot and put masks on the instruments that look like something out of Star Wars.

The official fuel consumption figures are 28 mpg (urban), 39.2 mpg at a constant 56 mph and 29.4 mpg at 75 mph. After a leisurely 155 miles of main road motoring, 4.3 gallons brimmed the tank, giving me 36 mpg of four star, but hard driving raised consumption to about 30 mpg.

The 127 Sport is not for the buyer who just wants a family hatchback; that is a role any of the other 127s, which cost from £2,272 to £2,606, fill admirably. But it is a fun car. Sporty drivers will enjoy exploiting its potential.

GOLF

"I was in a state of shock and absolutely disgusted with myself for having thrown away a tournament I have always longed to win. I know what a tough competitor he is. If you open the door to him he'll slam it in your face."

Where anything can happen

IF EVER there was a perfect example of the importance of perseverance, in that absolutely anything can happen at any time in a game of golf, it was demonstrated last Sunday evening at Pebble Beach, California. Of course the nature of the layout is severe enough to be unforgiving of the slightest mistake. But there can be little doubt that my good friend big Lon Hinckle was extremely fortunate to get a second chance to win the Bing Crosby national pro-am in a sudden death play-off against Mark Hayes and Andy Bean, and was the first to admit it.

Consider the circumstances. Hinkle started the day with a five-stroke lead over Hayes, his nearest rival, and seven over Dr. Gil Morgan, Grier Jones, Curtis Strange and newcomer Brad Bryant. One stroke further behind came a quintet including Bean. As Hinkle observed the previous evening a five-stroke lead can be nothing when the weather is rough at Pebble Beach, as it too often is. But as we chatted on the practice putting green shortly before Hinkle teed off on Sunday morning he was ecstatic about the long overdue warm sunshine and almost wind-free conditions.

Hinkle told me he had waited all his life to start the final day of a major tournament in such an advantageous position, likening it to playing Hayes in Nassau, giving him two strokes in each half. I warned him against complacency, wished him well and watched him rifle his tee-shot up the middle of the first fairway. A few minutes later Hinkle had cut his second shot with a short iron out of bounds with more than a suspicion of a shank, and still brilliantly salvaged a five at this 382-yard par-four hole. But he was shaken, and duly dropped shots to par at each of the sixth, seventh and eighth holes. Immediately in front of him Hayes, who had scored a superb 32 on the outward half the previous day, played almost as well again for a 33 to Hinkle's 40, so the five-stroke lead had become a two-stroke deficit.

Hinkle told me later: "I was in a state of shock and absolutely disgusted with myself for having thrown away a tournament I have always longed to win. I know what a tough competitor is Hayes. If you open the door to him he'll slam it in your face."

Hinkle's troubles were far from over. When he dropped another shot at the 565-yard 14th hole, having bunkered his drive, he went three shots behind Hayes. He recalled: "At this stage I was at my lowest ebb, merely wondering whether I could even hang on to second place or even win a decent cheque."

As Hinkle walked to the tee at the 397-yard 15th hole Hayes was hooking his second shot there wildly into the lone bunker on the left from the perfect position in the left rough. Let me explain that the blind tee shot here is best hooked through a gap in the trees and over the undergrowth to facilitate the approach, in that the three bunkers to the right close to the green are thus virtually taken out of play. There is also out of bounds to the left and right.

Hayes had played a fine tee shot, made easier because he normally shapes his shots from right to left. Hinkle plays the other way round, and surely enough, his three wood shot from the tee slid away to the right to be blocked out by both the bunkers and a giant pine. But as Hinkle walked to his ball he became puzzled why Hayes was taking so long on the green. I happened to be commentating from there at the time and had never before witnessed a golfer taking four putts from six feet or being so visibly shaken by it all as was Hayes—after he had played a good bunker shot.

His first putt went two feet past the hole and above it. His second returned whence it had started. The third was similar to the first, and the fourth thankfully went in. Hayes's lead had vanished, but Hinkle still had to cut a remarkable nine iron shot round the trees to the green to make his own par four.

Hayes took another three putts at the 16th but got in a six-footer for a birdie at the 18th that went all round the hole before dropping. He thus got back into the play-off with Bean, who had made birdies at the 16th and 17th and failed by a whisker with his long putt for another at the last, and Hinkle.

Bean caught a flier from the right rough at the second play-off hole after all three had made par fours at the 15th, and was deeply bunkered behind the green. Hinkle played a glorious seven iron second shot three feet from the hole at this, the 402-yard 16th, but missed the putt. Bean took five and was eliminated. Hinkle finally made certain of victory with a fine tee shot at the 209-yard 17th and, after Hayes had two-putted from 50 feet the winner finally got in a 15-foot putt straight downhill for a birdie 2.

It was an extraordinary ending to a strange month that had seen Ben Crenshaw totter to the victory at Phoenix that meant so much to him in the shape of a place in his beloved Masters Tournament. Fuzzy Zoeller broke his duck by winning the Andy Williams San Diego Open by five shots after a first day that set up two more unique experiences for me. I saw the 50 mph wind rip flagsticks from several holes and send a huge tournament bag placed on the ground spinning away from its carrier. My search for sunshine now switches to Portugal's Algarve coast in the knowledge—or hope—that the weather can't possibly get worse.

BEN WRIGHT

Workers of the world . . .

FISHING

JOHN CHERRINGTON

THE CURRENT waves of strikes and unrest are simply one more step in the direction of the egalitarian society towards which we seem to be moving. That day may never come in my life time but I can give some very valuable advice to the young, say my grandchildren, now growing up.

If all salaries and wages are made the same the choice of jobs will become paramount and probably every bit as much of a rat race as in the present capitalistic environment. I just don't believe that the captain of industry will abandon his factories and the self importance of his occupation just because his salary equates with the car park attendant's. His ulcers will be just as active as ever. Politicians will be just the same and so will most other people. But there are some jobs which, in the egalitarian brave new world, will be even more sought after than others.

If I were a young man really sure that monetary rewards were definitely out, I would choose to be a water keeper or ghillie. And not just any old keeper but one on a salmon river. The reasons are quite simple. My observation is that some keepers work very hard indeed. If you are raising fish for the growing number of put and take trout fisheries, you have to apply yourself to the task with a devotion worthy of almost any cause. Trout are delicate creatures, always ready either to die at at the drop of a hat or eat their brothers and sisters. If you are keepering a trout stream much of the summer is spent in cutting weeds, a laborious job in uncomfortable conditions. In the winter there are even colder and wetter tasks.

No trout keepering for me not only because of the work involved. But because those fishing: probably being rewarded for their efforts in heavy industry, politics and the services, would not be easy spending capitalists unwinding on expense accounts but tense functionaries enjoying, if that is the word, their bureaucratically organised relaxation. They would have no spare cash for tips anyway. All they could do would be to send in carping reports at the end of an unsuccessful outing.

But salmon fishing is different. Most salmon rivers are just as nature left them. Even the building of groynes, etc., which might alter the flow of the current have to be the subject of prolonged negotiations with river boards and other fishing interests. There is nothing the ghillie can do to control the run of salmon up the river. If no fish can be seen there are none in the river. If there are but none are caught it is the fault of the fishermen, or the sun, the water temperature, or level and a host of similar excuses.

All the ghillie has to do is either fish himself when no one else is there, or encourage the rods by making up casts, selling them flies, and occasionally, catching a fish himself which adds tremendously to the arrogant superiority which appears to be inseparable to the job.

This arrogance is something I have suffered from all my fishing life. When I arrive at the river the ghillie kindly sets up my rod and examines my tackle bag. He shakes his head over the slight twist in my rod. My reel is definitely not of most modern design. If I have a floating line he wants a sinking one or if I have both one with a sinking tip. My casts are either too thin or too thick, as for my flies they are not for his river.

Having so laid it on that I haven't a hope in the world of catching anything, I lose all self-confidence, and become no more than clay in his hands. He puts me in impossible places, of great danger some of them and sleeps in the sun or shelters in the hut or watches my efforts with obvious condescension or contempt. He will seldom fish himself, but very very occasionally he will deign to. Some sixth sense has told him that the salmon are on the take and he might as well show himself as the expert that he is.

He might even add to my discomfiture by taking my rod and droping the fly in a spot well away from where he told me to and hook a fish.

So you see the attraction which salmon river keepering has for me. A pleasant life, little really hard work and a power over my fellow men which any Prime Minister, TUC leader, or even captain of industry might envy. I would work really hard to secure such a job.

MOTOR CARS

FASHION

Spin a fine yarn

IF KNITTING conjures up for you dreary, utilitarian objects, created mainly to keep the wearer warm as cheaply as possible, then I urge you to go and visit Laines Anny Blatt in Bedford Street, Covent Garden, London WC2. Laines Anny Blatt (needless to say, its origins are French) provides such a feast *for the eye, such a riot of colour* and texture that even the least nimble-fingered visitor will long to get knitting.

The shop is the brainchild of David Elliott (he and his wife Rebecca run it together) who used to be in computers but decided he wanted to do his own thing. He'd begun knitting years ago during the war when he was trapped in air-raid shelters and was surrounded by the clicking needles of women knitters. He decided it was a good way to *pass the time* and soon learned to join them.

However, ordinary, boring old knitting patterns weren't for him. He felt that knitting just to save money or pass the time was bad thinking. Knitting should be a creative and artistic pastime. As he puts it himself, "If you're going to put that much effort into making something, you should end up with a garment that is exciting both in terms of *style and quality.*"

Before opening the shop just a year ago David Elliott did a lot of research into the wool market. He discovered that in 1976 there was a £100m turnover in hand-knitting yarns and that with the resurgence of interest in the ethnic look in fashion and in old-fashioned crafts it looked a good moment to generate further interest in knitting.

He first saw Anny Blatt wools in France and since he was in a hurry he thought he'd buy *some* in England. When he found he could not find them here his next step was obvious—make them available.

The shop immediately built up a following of dedicated knitters as word began to spread. People wearing Anny Blatt jackets and sweaters were stopped in the street, tapped on the shoulder in the underground and asked where they had found the knitwear. A pattern of a waistcoat in Miss London magazine sold 3,600 patterns and people began to turn to the shop for specialist wools, patterns and advice.

Anybody who goes along to *the shop* and looks at the Anny Blatt wools will realise at once why they are so special and why the Elliotts felt they must bring them *over here*. *The colours* are breathtaking, ranging from the subtle and sludgy to the rich and glorious and taking in many ravishing colour combinations as well.

The textures are equally beautiful—there are string-like, knobbly yarns, thick, soft, plump wools, firm wools, specialist wools like camelhair/wool mixtures, alpaca, angora and a textured mixture of cotton/linen/viscose. There are altogether about 40 different ranges of wools and some of them come in up to 37 different colours.

However, beautiful wools need to be allied to stylish designs and this is where the shop really scores. The French company, Laines Anny Blatt, *produces four books of adult* fashion each year (they go under the name of "Anny Maille") and each of them is what the Elliotts describe as a "fashion statement"—they are exquisitely photographed in full colour and all exude a sense of taste and style.

Whereas most knitting patterns are usually somewhat behind *the fashion* times, the Amy Maille designs are if any thing ahead, so that not all the designs will appeal to everybody. *If you want any of the* Anny Maille books they cost £1.25 each (the spring book is due out at the end of February) and are available only from Laines Anny Blatt, 20 Bedford Street, London WC2. Add 16p for p + p. If you have small babies or children that you'd like to knit for, the newest book for them is out and is full of enchanting designs.

Once you have decided on a pattern you can send off for swatches *by mail*. The Elliotts like you to send an SAE and to indicate the colour range you are interested in: they will then send off two or three *different* combinations or colourways—alternatively if you send a colourswatch they will match it from their collection.

However, for Financial Times readers Laines Anny Blatt has created a special design for this spring—the coat photographed and sketched left. Any reader who wants a copy of the pattern need just send a foolscap stamped addressed envelope to "Knitting Pattern," The Financial Times, 10 Cannon Street, London EC4P 4BY.

Laines Anny Blatt has designed a very fashionable, slim-line coat, just the thing to *go over all those slim-line skirts* that are coming in. The shawl-collar, too, has the latest look about it and for easy walking, the *sides* of the coat are slightly slit. I wish we could have printed the photograph in full-colour for the ravishing pinks, reds and purples of the two yarns used give the whole coat an air of great style.

Readers who want to knit the coat should bear in mind that the wool is not cheap — the wools are of a high-quality, in beautiful colours, and these cost money. To knit a size 10 to 12 would cost £26.76, while a size 14 to 16 would cost £30.57 (p + p £1.50 extra *if you order* by mail and you should then allow 14-21 days for delivery).

If you would like the coat but can't or won't knit, it can be made to order for £79.

If you possibly can, do visit the shop. The Elliotts, dressed in gorgeous Anny Blatt sweaters themselves, bubble over with enthusiasm for the wools they sell and will give lots of help and guidance to customers and, in addition, the coat itself will be on display.

This soft but warm spring coat has been designed specially for Financial Times readers to knit. Laines Anny Blatt chose a subtle combination of brushed wool (Snob'Anny) and a multi-coloured slubbed wool (Mel'Anny) which are knitted together and create a marvellously rich effect. The coat should be ideal for spring and is designed to look good over the coming fashions. Here it was *photographed over* a slimline gaberdine skirt and creamy silk blouse from Jaeger's newest collection. The taupe (beige) shoes are £28.99 from West End branches of Russell and Bromley. The model wears a little bow brooch (£2.75) from Fenwick of Bond Street, London W1 in the neck of the blouse. For a copy of the pattern just send an sae (foolscap size) addressed to us, mark the envelope "Knitting Pattern" and you will receive the pattern by return of post. Photograph by Trevor Humphries

Readers who feel that perhaps the spring coat isn't quite warm enough for their chilly bones might like to consider knitting something warmer—like this layered look of coat and gilet. At the shop, Laines Anny Blatt, 20 Bedford Street, London WC2, there is a whole collection of other Anny Maille knitting books from which any designs can be chosen—though these, of course, will not be exclusive, nor will they be free as you will have to buy the book in order to get the pattern (each book is £1.25). *I particularly liked this design from the Anny* Maille winter *book (issue no. 20) as the two pieces of coat and* gilet can be worn independently in warmer weather, but in *really* cold weather can be teamed up to give an extremely snug effect. The outfit photographed is in two shades of grey but readers who might consider knitting the complete set should remember that it will take quite a lot of expensive wool—the coat alone uses 13 balls of wool, while the gilet uses 49. The new spring Anny Maille book of patterns will be out and available from the shop at the end of February.

LUCIA VAN DER POST

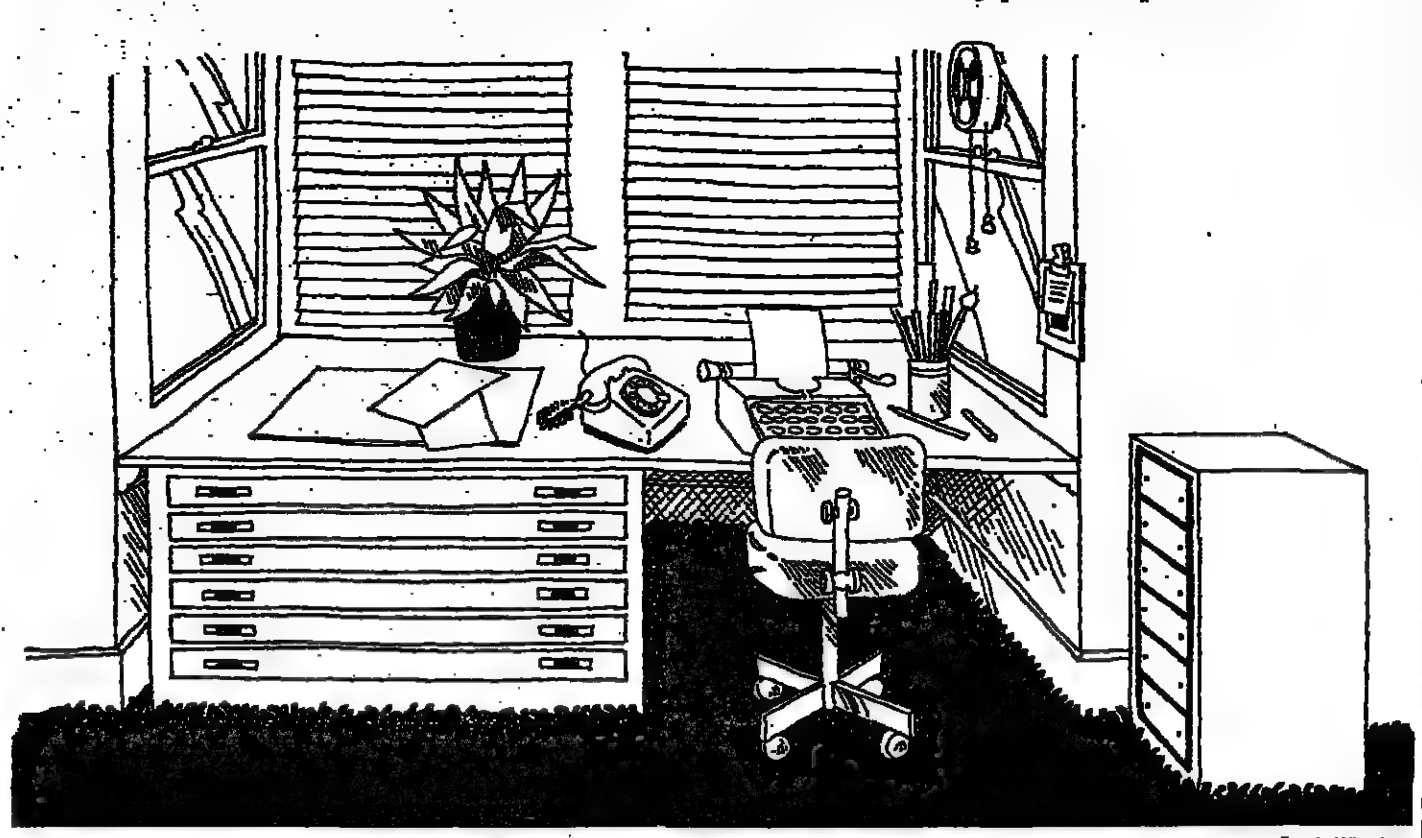
WHERE TO SPEND IT

HOW TO SPEND IT

by Lucia van der Post

Work at home and like it

Everybody needs some kind of working space at home—whether it's just for planning menus, answering letters and taking messages or to help run a full-scale business. Whatever your needs the successful home office requires careful planning and lots of thought. BELINDA BLACK, a home editor who has recently turned freelance, here offers her thoughts on the subject, culled from her very personal experience. . . .



Frank Wheeler

Donald Maxwell, a director of CubeStore, has used an otherwise wasted bay window to make an inexpensive office area. He bought a six-drawer plan chest secondhand for £20 (these are still to be found in secondhand shops, though you are unlikely to find them quite so cheaply) and it provides the basic storage he needs. He then fitted a white melamine-faced chipboard top over the chest and the remaining space in the bay. He thus has ample working-surface. On the right-hand side is a CubeStore B6 unit, which cost £23 and houses all his pencils, pens and other small office items.

WORKING from home has both blessings and perils, as I've found as a relative newcomer to the freelance scene. Creating a business-like and pleasing environment is vital, as is stocking up with the right equipment—which is getting more expensive by the minute. Without the facilities of a large organisation—or a secretary—to fall back on, you do need to be self-sufficient and ultra disciplined, and not waste energy on mundane problems, like running out of paper clips.

I chose to work in my bedroom, rather than the large spare room I had originally earmarked. It looks out over trees and gardens and sunshine streams in from the large window beside me. It is my favourite room in the flat and psychologically very important—I feel at ease here, despite having had to shift the furniture around. Others have said the same—work where you feel happiest, on the kitchen table or wherever, despite the inconvenience—not in some dark corner like an unused stairwell.

Most people who work from home do so either from choice—as I have—or necessity. Either way, one wants, and is free, to make one's working space visually stimulating, rare in a commercial office.

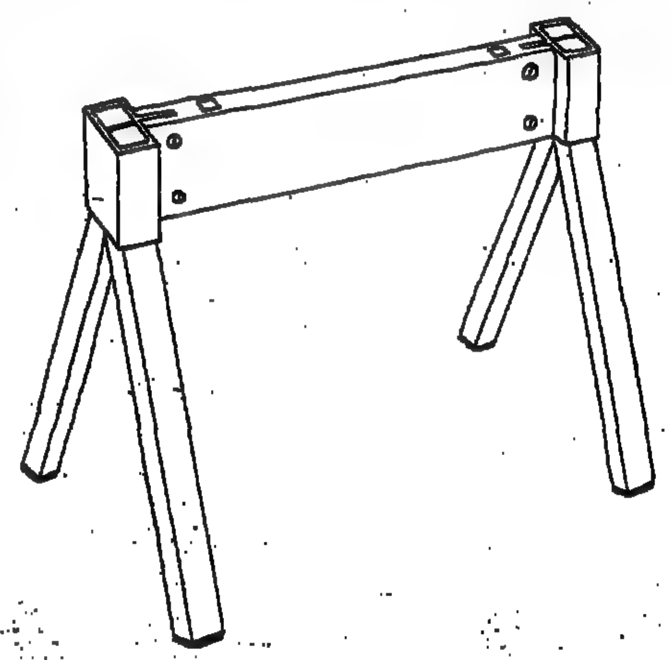
First essential is a large desk or work surface. Mine is a 7 ft (2.134 mm) by 2 ft 6 in (914 mm) piece of 1-inch (25 mm) deep chipboard, big enough both for piles of folders and for a vase of flowers at each end. It is covered in grass green felt simply stapled to the underside, bought from the Felt and Hessian Shop, 34, Greville Street, London, EC1, just off Hatton Garden. It comes in some 77 stunning colours, 72 inches wide, and costs £2.68 a metre. By post they will supply shade cards of both hessian and felt for 54p each.

If I didn't already have a desk, I would go for the Legs top support system made by CubeStore, 58 Pembroke Road, London, W8. These are pairs of "trestles" with a central support, 26½ in. wide, which you screw together to make a very sturdy base for any size of table top. A pair of Legs in white is £19.50, including VAT and carriage; in chrome £25, and in aluminium £19.80. CubeStore offers a white melamine faced top, 18 mm thick, size 54 in. by 30 in., for £8, but you do have to collect it from the showrooms. Alternatively, it would be possible to use chipboard from a local timber merchant, approx. £5.80 for a 8 ft. by 4 ft. sheet, or a standard door, 6 ft. 6 in. by 30 in., approx. £7.30 for white painted hardboard.

The Legs system is ideal for working from home — inexpensive, and easily demountable. It is also smart enough to be included in a living room. Write to CubeStore at the above address for a catalogue.

Storage is the next problem—how to make it look nice and have enough of it. Ingenuity is *the answer here* — I've seen the most innocuous-looking cupboards, plan chests, mahogany bureaux, cane trunks, fitted out to hold anything from a typewriter to reference material, often situated away from the actual work area. This bears out my previous comments — evolve your home office around you, rather than you around it.

If you need a nice large unit to hold reference books and magazines, the Buzz storage system at Heals is one of the best I've seen. *It is made of* pale coloured pine, with five adjustable shelves in a rectangular frame, braced by a metal crossbar. Two stood back-to-back would make an excellent room divider. Each unit is £50.



The CubeStore legs which, at £19.50 a pair, can be used as the basis for forming an inexpensive desk (or dining-table, come to that). Top with wood, glass, marble or an ordinary standard door.

I keep a comprehensive library of manufacturers' catalogues, brochures, etc., which are stored in two deep white two-drawer metal cabinets bought at Rymans. One winces at their current asking price, £67.18 each, so be sure that whatever you choose is suited to your needs. Another buy I'd recommend is a vertical 15-drawer unit, again in white metal, with labelled trays that can be lifted out and brought to desk or table. I use this for stationery, invoices, photographs, a specific project, and often change round the contents. Two firms which do alternative systems are Gratnells Ltd., 256, Church Road, London, E10, and CubeStore, as above.

To be more flexible, what better than a storage box on wheels, which can even be used for drinks and glasses. The Plastigraph and Boby trolleys, made by Zucor Bieffe of Italy, fulfil such a need, and are very handsome to have around. Moulded from ABS plastic in lovely bright colours as well as white, they have a series of pivoting trays and pockets on top for such things as peanuts or pencils. Both are made in alternative versions. The Boby costs from £37.80 to £54, the taller Plastigraph either £47 or £55. From Ryman Contracts, 200 Tottenham Court Road, London W1, or Wightman Mountain, 15 Artillery Row, London SW1.

For lighting I use a double floor spotlight. It's wonderful not to have to suffer fluorescent tubing any longer, and to be able to direct and bounce back light where I need it. Habitat do two versions of floor spotlight, either £16.50 or £18.

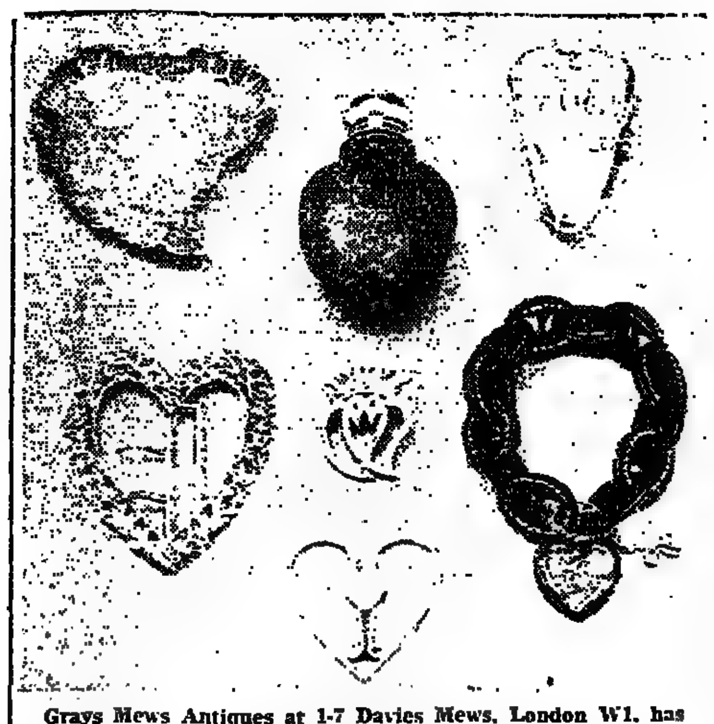
My seat is a foam-topped yellow stool, which tucks away out of sight. Other friends use an assortment of antique chairs, softened with cushions. Neither are to be recommended, except for reasons of economy. The plushest executive office chairs I have seen are the 451 range by Ryman Contracts, average price £150. Designers favour the Bauhaus armchair, with its chromed steel frame and woven canvas seat and back, £28 from Habitat.

When you begin to work from home, some things are luxuries, others essentials. I took a colleague's advice to invest in a portable electric typewriter, a decision I have not regretted. Mine is a pale green Hermes 10, made in Switzerland, and successor to a manual model I have used for 12 years. It is sturdy, reliable, and a joy to use, and cost £250 from Automatic Electronic Calculators, 2, Shoreditch High Street, London, E1. Other manufacturers with comparable models are Olympia, Facit, Smith-Corona, Adler, Olivetti, price range £150-£250. AEC are happy to demonstrate machines in would-be customers' homes, anywhere in the country, on request.

My second new electrical accomplice is a pocket calculator, chosen from a large selection at Rymans, priced between £7-£12. It is a help in many ways, from totalling accounts to estimating VAT.

Finally, desk storage, a lovely subject which can eat away at the petty cash. There are all sorts of decorative containers for pens and pencils on the market, in acrylic glass, fabric, ceramic, paper, and cane, and more for plants and ashtrays. Making one's choice — from Habitat, Paperchase, General Trading — is one of the best things about being self-employed.

Stacking ceramic shapes for ultra smart offices, in lovely bright colours. The set of shallow dishes is £20.27, the *layered pot is £13.20. The vase is £1.60 and the flying saucer* £9.12. All from Ryman Contracts Showroom at 200 Tottenham Court Road, London W1P 9IA and 120 Moorgate, London EC2.

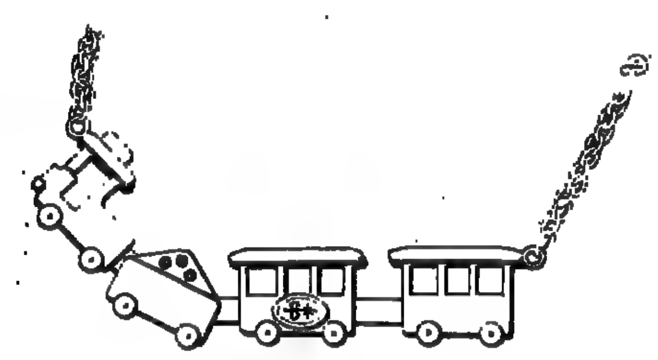


Grays Mews Antiques at 1-7 Davies Mews, London W1, has built up fine collections of antique jewellery and as jewellery is still one of the most favourite of sentimental presents (after all, one would never think of giving jewellery to a casual acquaintaince) anybody who wants to find something really individual should pay a visit to the markets.

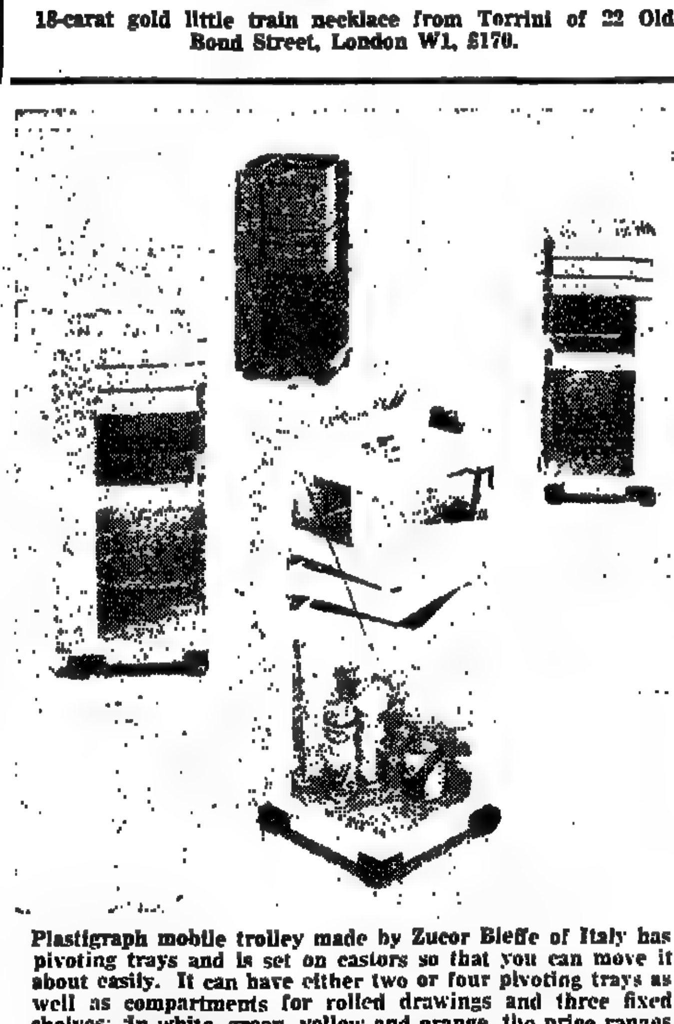
This year they aren't having a special Valentine display but most stalls should be able to turn up something both pretty and relevant.

Photographed above are some enchanting pieces. The heart-shaped pin tray comes from Holland, is about 90 years old and costs £40 from McAleer. The heart-shaped green glass perfume bottle with a silver top is Victorian and is £38 from Ruth Stanley. The little heart-shaped silver case, top right, *is a scissor case. Dated 1908, it is £22 from Dereham Antiques.* Bottom left is a silver plate buckle, 1900, £33 from Pierrot. The tiny double heart with crown in white, blue and green on silver is a sweet brooch or pendant and costs £38 from Jacqueline. Bottom right is a charming bracelet, a pique chain and heart inlaid with gold. This is much the most expensive item in the photograph and costs £150 from Antony Cramer.

Finally at the bottom of the photograph is a heart-shaped silver money clip for £35 from Lynn and Brian Holmes stall.



18-carat gold little train necklace from Torrini of 22 Old Bond Street, London W1, £170.



Plastigraph mobile trolley made by Zucor Bieffe of Italy has pivoting trays and is set on castors so that you can move it about easily. It can have either two or four pivoting trays as well as compartments for rolled drawings and three fixed *shelves. In white, green, yellow and orange,* the price ranges from £47 to £55, depending on the number of trays. Available at Ryman Contracts.

If you can't completely replan your office this PVC Home Office Tidy by Sari Fabrics should help keep things in order. *It's made to hook on a pegboard or wall and comes in three* colourways, basically red, brown or blue, and retails at about £2.95 from leading stationers.

Love me do

THIS PARTICULAR year does not seem to me to have anything intrinsically more romantic about it than any other (rather less, come to think of it, if anything) but for some strange reason shops are awash with enticing suggestions for inducing even the least romantic of us to turn our thoughts, if not our pockets, in that direction. The cynical will, of course, say that all this is just a purely commercial device for parting an honest man from his hard-earned money but some of the ideas are so beguiling, so beautifully wrought, that more than just commercialism must have gone into their production—some taste, skill and imagination have been at work besides.

The prudent, well-organised lover will no doubt already have followed up one (or more) of Christine Burton's suggestions of a few weeks back. However, there are always those who are temperamentally incapable of doing anything until it actually has to be done, as well as those who may only lately have met the object of their current affections. For all of these I offer a few last-minute Valentine suggestions.

Justin de Blank, who runs some of the most delectable food shops in London, has some mouth-watering ideas for those for whom any festival must inevitably be accompanied by some celebratory guzzling. He offers heart-shaped cheeses—a Coeur de Neufchatel from the Pays de Bray region in Normandy which has a velvety texture and is 75p. From Picardy comes a rich, cream-yellow heart-shaped Coeur de Rollot with an orange ring and all packed up in a presentation box for £1.25. For those who like a stronger tasting cheese there is the Coeur d'Avesnes made in the traditional heart shape for £1.09 and, finally, my favourite, Coeur de la Creme, a sweet, soft white cheese which comes in white heart-shaped china moulds and which is, to my mind, an infinitely superior accompaniment to soft fruits than ordinary cream (60p for the cheese, the dish is extra).

There are shortbread hearts at 20p each (for those out of reach of Justin de Blank, the idea is easy to copy—just buy heart-shaped moulds and cut the shortbread pieces out before baking). If you're feeling lavish and want to dine à deux on St. Valentine's day, Justin de Blank branches at 42 Elizabeth Street, London SW1, and 136 Brompton Road, London SW3, can provide a luxury take-away meal for two (at a price, of course).

They suggest Oyster Bisque, Boeuf en Croute and a heart-shaped Strawberry Pavlova.

If food is not your line Justin de Blank can offer tiny red heart-shaped tins containing sandalwood scented candles at 50p each or translucent pink hearts of soap at £1 each or £3.20 for a set of three, all boxed and with a special card included.

Liberty of Regent Street, London W1 is another good source of inexpensive presents. For £1.25 you can buy your love an amazing red heart-shaped record by Alan Price. It's a limited edition, has a Victorian Valentine cover and though I can't vouch for the music the titles "Baby of Mine" and "Just for You" seem to suggest that you should choose the recipient carefully.

Heart-shaped pendants, prettily hand-painted with tiny flowers and strung on matching plaited ropes come in three sizes and lots of different colours—£3.25, £5.25 and £6.25.

For the more literarily-inclined there is "The Lover's Companion," edited by Elizabeth Jane Howard and probing the pleasures and the anguish of loving. Published by David and Charles, it costs £4.95.

Expensive, but very pretty, is the heart-shaped cushion covered in Liberty prints for £7.80.

For those who feel inclined to lash out in a rather bigger way a new shop called Torrini, specialising in jewellery from Italy, has opened at 22 Old Bond Street, London W1. Most of the jewellery is on the ornate and expensive side but some of the Valentine suggestions are exceedingly pretty. Not specially related to hearts or flowers but very appealing are their bracelets or pendants in 18-carat gold which feature a little train, an aeroplane or a rocking-horse. Each of the designs incorporates some diamonds and prices start at £170.

Less expensive and very much in today's mood is a little stick pin, again made from 18-carat gold and topped with a little diamond, for £22.

There are tiny heart rings for about £80 and a really enchanting little set of a delicate gold necklace with four daisies (each featuring a small diamond at the centre), earrings and a ring for £445.

BOOKS

Marvellous Max

BY C. P. SNOW

Max Perkins: Editor of Genius by A. Scott Berg. Hamish Hamilton, £9.95, 498 pages

It didn't take long for Americans to decide that practitioners in any activity weren't to be trusted with their jobs. They needed master minds to tell them what to do. Footballers were necessary to perform the brute activity of playing the game; but there must be some commander-in-chief to do the thinking for them. Hence the coach.

The emergence of the coach as dominant figure happened before the end of the last century. On a good many campuses the coach became a more illustrious personage than the President and, of course, more than any of the coach's players. It has taken this country a long time to catch up. It is only recently, in the last 10 years or so, that football managers (the exact equivalents of American coaches), as it might be Brian Clough, became nationally recognised.

Very much the same occurred in American publishing. Writers were presumably necessary to produce the raw material. But it needed more competent and sophisticated minds to turn this into publishable books. These were editors. Again it is only recently that editors in the American sense have played a decisive part in publishing over here. In our amateurish fashion, there used to be part-time advisers, people such as George Meredith (about as often wrong as right), John Morley (almost always wrong), Edward Garnett (usually right). Nowadays, there is a shift, which will become larger, towards the American method.

Beyond any reasonable controversy, the greatest of American editors has been Max Perkins. Here is a good biography, by a young American scholar. Anyone who reads it will learn a lot about a remarkable man and a slice of American literary history. Perkins died over 30 years ago, but he remains a literary hero, much more than most of his authors. He was a New Englander of good family, ancestors arriving in Massachusetts in the mid-1600s, one grandfather a Secretary of State, another the first serious American art critic. The young Max hadn't much money, but he had all the social credentials of a New England gentleman. He was laconic in the best Vermont fashion. He was unassuming. He had a good mind, and a very strong character. He was going to do his duty.

He had to earn his living. He had the standard upper-class education of his kind, St. Paul's, Harvard, and he got a job at Scribners through those connections. His first job was Advertising Manager, somewhat oddly for this most retiring of men.

At that time (1909), when Max was 25, Scribners was already an old established house, highly reputable, middle size, prosperous, decorous (though legend has exaggerated the firm's excessive propriety). Their star writers were Edith Wharton, who was highly profitable, Henry James, who wasn't, and Galsworthy. Although Charles Scribner II, who had been presiding over the firm for 40 years, still took major decisions himself, there were already professional editors, of whom the chief was a cultivated conservative character, W. C. Brownell.

Max Perkins was himself in many ways deeply conservative. In social manners he behaved like much of the rest of the Scribner hierarchy. It was Charles Scribner himself who made him an editor very young. When Max struck out on his independent line, it was the old man who, sometimes grumpily, backed him. Max was in his thirties when he found his independent line. He acquired the first rough draft of a novel by an unknown young man called Scott Fitzgerald.

Max might be conservative, but he had a strong instinct for novels, and a passionate impulse that America ought to create its own entirely indigenous literature. He was a repressed creator himself, and it would justify his existence if he could help.

He knew, with the certainty of discovery, that Fitzgerald was a new voice. The book was reshaped and reshaped again. The succeeding versions are among the best examples of Max in editorial action. He then had to fight the book through at Scribners against Brownell and other seniors. Charles Scribner came down on Max's side. The rest we know. The book was a startling success, commercially and in esteem. Max went on to propel a wave of that decade's American literature—Hemingway (sponsored and promoted by Fitzgerald), Ring Lardner, Thomas Wolfe.

Max had need of a repertoire of psychological as well as literary techniques. With Fitzgerald, who had very good artistic judgment and knew at least what he ought to be doing, Max had to be more like a guardian angel, marriage counsellor, family lawyer, private banker (sometimes out of his own pocket). Hemingway would take literary advice from no one on earth, but in his paranoia needed a bodyguard. With Thomas Wolfe Max became a collaborator. Wolfe, who in primary impulse had a kind of genius which the others hadn't, had no constructive capacity at all, in the routine sense no talent.

Max hacked a novel out of gigantic inchoate slabs of Wolfe's enormous typescript. That was the most extraordinary feat of editorial work so far on record. Was it worth it? The answer is yes. Look Homeward, Angel swept a generation of intelligent young as no novel has done since and, in spite of all the excesses and absurdities that Max had to leave in, the intelligent young weren't wrong.

Max Perkins by David Levine

Max was more intelligent and a deeper character than any of his protégés. He may have envied them their egocentricities and their freedom from the bonds of uprightness he couldn't escape. He got a kind of artistic satisfaction out of his work and at the same time suffered from it. He may have taken tight-lipped pleasure from the approval of the few who knew what he had really achieved. He may have felt that these people he was cherishing would leave some memorial behind them and that he wouldn't. That turned out to be untrue, but he didn't have prevision.

He also paid some minor penalties. All his protégés were alcoholics, or, to put it at the mildest, drunks. Max was a pretty heavy drinker before he became the great editor and in that company it would have been hard not to become a heavier one, traipsing the New York streets for hours with Thomas Wolfe, listening to interminable dithyrambs, dropping into bars for a rest and more alcohol, going out next day to see Hemingway prove he was the best drinker in the world, having a lunatic meal with Scott and Zelda. Of all the horrors of being embroiled with that crew, that last would have been the most excruciating, fundamentally amiable character though Fitzgerald was.

There was an idiosyncrasy of Max's that no one seems able to explain. He had a correct New England sense of punctilio and careful American manners. He was good-looking and kept his hair until, at the age of 63, he died. The oddity was that in the office and, apparently wherever possible indoors, he always sat with his hat on, drawn down over his ears.

Fiction

Prisoners of the past

BY ISOBEL MURRAY

Transit of Cassidy by George Turner. Hamish Hamilton, £4.95. 259 pages

Document of the Last Nazi by Matthew Eden. Hamish Hamilton, £5.50. 237 pages

Aladale by Shaun Herron. Jonathan Cape, £5.95. 588 pages

From the Broken Tree by Lee Langley. Heinemann, £4.95. 408 pages

Transit of Cassidy, among other things, is about the abrupt and rapid progress of Mike Edwards to adulthood. We meet young Mike, aged 15, when he has impetuously run away from home and mother in Sydney and hitch-hiked to Melbourne in a dramatic attempt to discover his lost father. All Mike knows is that his mother calls him "a dead bastard," and a packet of old newspaper cuttings calls Cassidy Edwards one of the most promising middleweights in Australian history.

The interest of the novel is mainly in George Turner's narration: before we meet Cassidy, we learn different accounts of his past, from characters interesting in themselves. Mike starts with former sports reporter Jack Wild, who has, as we discover, his own reasons for shame, and avoiding Cassidy. We encounter Perce, the devoted trainer Cassidy called "Dad," Rod Trelawney, the homosexual who knows and understands the former boxer, Cassidy's bitter young brother Paddy, and an old boxer who lost both legs in a wild accident in which he and Cassidy raced a train, and lost.

More and more Cassidy seems to resemble a monster rather than a man, a madman at times, a Narcissus even in all his seeking after love. The eventual confrontation of father and son, with most of the others in the wings, is dramatic, and its outcome unexpected.

I have been chided for describing a novel as "a man's book," so will only say here that the boxing world is not my scene, and these relationships of almost exclusively male characters are foreign to me, but I admire the tight construction of the book and its economical expression.

I enjoyed Matthew Eden's first novel, Document of the last Nazi, and find it an accomplished first effort. The plot revolves around a real historical—and living—figure, Rudolf Hess, the prisoner of Spandau, and it combines all the traditional elements of murder mystery with living political issues.

Why should anyone want to kill this pathetic old man, last survivor of the "lifers" from Nuremberg? The Russians, who always hated him for his anti-Communism, and demanded his death in vain? No, says the book: now Hess's existence allows Russian guards by turns into West Berlin to guard Spandau, and this access is treasured.

In that case, do German Neo-Nazis want Hess dead, to make him a martyr and banish the Russian presence? Perhaps. After a murder attempt on Hess, a series of murders begins, brutal, efficient and puzzling.

This fictional Hess left a document in 1946, to be opened after his death, and now this has been stolen. What did it say, and whom did it threaten — who knows? The account is a skilful blend of fact and fiction, with the solution just plausible. While the politics of the book seem to indicate an over-simplifying anti-Russian bias, it fails to spoil the effect, and I look forward to Matthew Eden's next book.

Writers as accomplished as Shaun Herron and Lee Langley do not need to build their interesting historical fictions round complex, long-drawn-out and often tediously obvious love lives, and I wish sometimes they would do without. I wish also that sales did not justify the trend, and suspect the next two novels, custom-built, will sell well.

Shaun Herron's Aladale is a novel of the Highland Clearances. It does not make sentimental capital out of the expulsion of the people to make room for the sheep, but describes the economics of saving to send families to united exile on Prince Edward Island. The clan chief is malevolent and absent: the rightful heir is preoccupied with raising money in time, mainly by the illicit distilling of a malt whisky.

This gives the book a liveliness and vigour which are welcome, and the tragic confrontations of sheriffs and tenants are contrasted with some triumphantly comic confrontations of excisemen and smugglers, with women prominent in both cases. It could have been a new, inventive novel of the Clearances.

For me this possibility is blunted by the relentless need for "love-interest" that follows Davy Bourdon everywhere. His Edinburgh landlady must initiate him into "life," and acquiescently fade out of his future without acknowledging her pregnancy: all the women in the novel twice his age want to sleep with him, and most succeed, until he succeeds in marrying his dead chief's young widow, and living happily, etc.

Lee Langley's subject, European Jewry, is one even more sensitive to treatment. Here is a family saga set to jerk our heart-strings through pogrom and riot, the Sydney Street siege, two world wars, the Israeli wars—and would you believe Palestinian terrorists at a family party?

Lee Langley does not have to write like this. This kind of novel engenders in me, perversely, a kind of literary anti-Semitism contrary to my every belief.

The character of Leah is typical. In Poland she chooses between revolutionary Mordecai and orthodox Chaim. (Don't worry about Mordecai: he will spend the next seventy-odd years touring trouble-spots, and Leah's violent attraction to him surely cannot be denied for ever? Alas, no.)

So Chaim and Leah happen to live in Sydney Street, London, suffer, procreate, lose some and suffer more. Whatever happens, Leah suffers (bravely, of course). At the end, at the height of the Palestinian siege, she sings. Why did no one strangle her, back in Poland?

Oriental skirmishing

BY ROBIN LANE FOX

Edward W. Lane by Leila Ahmed. Longman. £9.75; 215 pages.

Orientalism by Edward W. Said. Routledge. £8.95; 368 pages

The West's general view of Islam is still myopic. Our ancestors thought Muhammad was an epileptic. Islam a sort of misunderstood Christianity and the Koran, said Carlyle, "unreadable masses of lumber." We are no better, as these two books bring out. All around us, the rising in Iran has flushed out attitudes and reporting of a shockingly unhistorical nature. The summit of much historical work on the Muslim East has remained, incredibly, to "explain" why it did not have an Industrial Revolution.

Muslim leaders do not just stand for "nothing" nor as obstructors of a "modernising regime, no worse than most regimes in Africa," the final insult. Against the State, they have stood up for decency, tradition and the ideals of a religious community. May be Islam can only exert influence as an opposition. But that is no mean role.

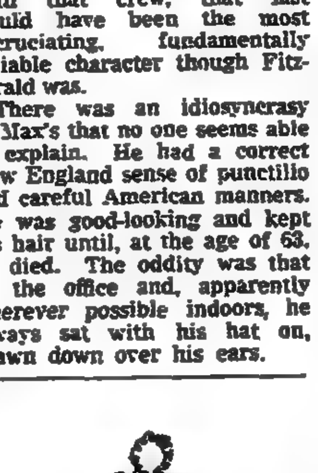
Leila Ahmed's slim but pleasant book, Edward Lane: Study of his life and work and of British ideas' of the Middle East in the 19th Century, published here with Libraire du Liban, sticks to the Kinglakes, Burtons, and Edward Lane himself. She sets up Lane as the first socially-acute observer of Egypt who went partly native and began from a scholarly base. Correct in her claims for his Modern Egyptians of 1836, she is by-passed by Mr. Said. Correctly, too, he harps on Lane's misleading tone of objectivity, among all those brackets and faceless footnotes. Mr. Said is an admired American literary critic who is highly esteemed by the Universities. Lane's great Arabic dictionary does not deceive him. He centres on the critic's convenient truth, that historians put themselves into their books, even when they claim to be "scientific."

Lane, in a lesser way, joins his gallery of professional Islamic scholars who have, most interestingly, disliked Islam. Said's book is pretentious but lively. He scores the usual fair points against Orientalists' views of the East since the 18th century. He adds new examples and shows up once again, the fiction of "the" Oriental, "the" Semitic mind. He links his theme quite well, from travellers through "scientific" philologists to diplomatic spies and modern academics. Those two modern king-pins, H. A. R. Gibb and Louis Massignon, have had shrewd enough obituaries for Mr. Said to end on a bold note. His book is fast-moving. It is also quite rude. The approach can rebound.

Throughout, there is a foxed smell of literary skirmishing. For Said, Orientalism, even nowadays, is dated and defined by titles in publishers' lists. Many dead horses are flogged unawares. Some lively old ones, less harnessed are missed out. On any view, Renan is of central importance. He figures here as the scholar of a monolithic "Semitic" philology with a sharp anti-Semitic bias. The major challenge of his astonishing book on the philosopher Averroes, a seminal conception, is not even mentioned.

Nor, explicitly, is German scholarship. One suspects that for Said, it has not been sufficiently translated. Yet how can a man write so confidently about "Orientalism" without taking notice, say, of Ignaz Goldziher, a rejected Hungarian Jew who remains the subject's genius? His masterpiece made mistakes. All masterpieces do. But these are still the best way in to Islamic history. They have shaped this century's awareness in France and Britain. Said hits out, instead, against the turgidity of lesser men and lesser Cambridge histories. He is blasting at dummies. Unreadably dull books are simply not read. Who cares about von Grunebaum?

Modern Islamic scholars are hard done by: no art, no Grabar, no archaeology, no Monneret de Villard, no epigraphy, no Sam Stern. More importantly, so are the texts, from which we derive our only view of earlier Islam. Mr. Said tells us often what Islam is not. He does not say what it is. The "medieval" age from 800-950 he believes to be brilliant. Why? He scoffs at texts. Islam, he says, is "about people." Much of his book, however, is about bibliography. The basic viewpoint, a first-hand awareness of surviving Islamic sources, is not in evidence. Anecdotal and elaborate, they obstruct me in any bid to grasp Islamic history far more seriously, I believe, than my own prejudices. Combative and superficial, Said drops names. He attacks straw-men. He sticks to two, perhaps three, languages. The result is vigorous. Its main themes are old truths. It will no doubt increase the author's stature in American circles of literary criticism. But that, too, is a revealing fact.



A contemporary medallion of Captain James Cook who died in Hawaii, killed by the islanders, on 14 February, 1779. It is reproduced in "Captain Cook and the South Pacific" British Museum Yearbook 3 (British Museum Publications, £10.00). The book contains a series of illustrated papers discussing the latest research into Cook, his followers and the artefacts they collected in the South Seas.

The bicentenary of Cook's death will be marked by a service in Westminster Abbey, an exhibition "Captain Cook in the South Seas" which opens on Wednesday at the Museum of Mankind, 6 Burlington Gardens, W1, and a programme on Radio 4 UK, also on Wednesday, "James Cook a God in the Pacific."

Tory history

BY ZARA STEINER

A History of the Conservative Party. Volume Three. The Age of Balfour and Baldwin 1902-1940 by John Ramsden. Longman. £13.00, 413 pages.

This book is part of a four volume History of the Conservative Party covering the years 1830 to 1974. The party has proved amazingly adaptable, repeatedly adjusting its principles and membership to survive the fierce struggle for existence. The pattern was set under Peel, Disraeli and Salisbury but has continued throughout the present century. There have been changes in the balance between the social groups dominating the party and alterations in party machinery at the centre and at the local level which has enabled the Conservatives to attract votes despite an altered and enlarged electorate. But basic to its success has been the willingness to modify, alter or abandon principles which were politically moribund.

It is not always easy to paint a sympathetic picture of a party which, as Dr. Ramsden argues, has subordinated policy and ideology to the drive for power. Dr. Ramsden makes of this absence of principle a major virtue. He emphasises the "negative pragmatism" which enabled successful Conservative leaders to draw their followers away from diehard assumptions and forced the party to accommodate itself to the demands of new voters with views to the left of centre. The focus of this book is on the activities of the party leaders and on the Tapers and Tadpoles who created the Conservative machine. It is not strong on ideology and with one important exception, does not deal in great detail with Conservative policy.

In fact, a good part of the book is devoted to the "nuts and bolts" of party organisation. There is a mass of new information on how candidates were selected, campaigns run, and votes won, gathered from an impressive variety of private papers, party archives and political pamphlets. Much of this will interest the specialist more than the general reader but Dr. Ramsden clearly makes his point that good organisation often made the difference between victory and defeat.

There is an unevenness of touch in this book which may result from Dr. Ramsden's concentration on the success of the party and his particular interest in the inner workings of the party mechanism. His handling of Balfour (possibly because Salisbury was covered in an earlier volume) and Joseph Chamberlain is less satisfactory than his understanding portrait of Bonar Law. The short chapter on the First World War seems to be inadequate given the enormous amount of debate over the demise of the Liberal Party. There is surprisingly little said about foreign policy and Conservative attitudes even when they become the central issue of debate. The concluding chapter on Neville Chamberlain throws little new light on this still very controversial figure in the history of the party.

These reservations do not apply to Dr. Ramsden's treatment of Stanley Baldwin. In this central section of the book, the author combines a superb portrait of a complex character who "chooses to masquerade as a simple one," a concise analysis of the "New Conservatism" and a description of the intra-party battles which in the end defeated Baldwin. The usual discussion of party organisation is balanced by an explanation of what Baldwin stood for and what he tried to do with the party. It is not surprising that the book comes to life with Baldwin for this seems to be the figure who engages Dr. Ramsden's full sympathy. He was the leader who forced his followers to accept a programme for which they had little sympathy but which met the wishes of a major part of the electorate. The "die-hards" were forced to give way, the party, grudgingly and at a price, adapted itself to the times.

Dr. Ramsden's assessment of Baldwin's contribution to Conservatism will provoke a good deal of debate. His description of the Baldwin years are particularly pertinent in the light of the present situation. Those journalists who have seen the present Prime Minister as a Baldwinesque figure will find much to confirm their views in these pages. The differences in circumstances and mood are obvious but this particular chapter in the history of the Conservative Party has a strange relevance for Mr. Callaghan. So does the book's price.

On the murder trail

BY JOHN FALDING

The Capture of the Black Panther by Harry Hawkes. Harrap. £5.95. 271 pages

It was the most extensive and expensive manhunt to have been mounted in Britain. It involved every police force, including Scotland Yard and the Regional Crime Squads, at a probable cost of £2m.

Yet at no time were police even remotely near discovering the identity of the "Black Panther" responsible for a trail of serious crime throughout the North and Midlands unequalled by any other lone criminal.

He had committed a score of armed burglaries on sub-post offices, murdered three sub-postmasters, kidnapped and killed the 17-year-old Staffordshire heiress Lesley Whittle and caused the death of a container depot security guard who disturbed him checking the ransom trail.

He would probably have still been pursuing his one-man crime wave but for a routine check by two Nottinghamshire constables and for their bravery in overpowering him after he hijacked their panda car.

The police can hardly be blamed. The man they were up against, Donald Neilson, Bradford joiner (failed), had a chillingly brilliant criminal mind and was as obsessed by planning and detail as he was by physical fitness and military techniques. He waged war on society with all the skill and determination of the SAS regiments he so admired.

Mr. Hawkes, a respected crime reporter, reveals the ingenuity and thoroughness of the police investigation—and the frustrations as it all proved futile.

He also reveals instances of disturbing incompetence. After the shooting of the security guard, Neilson abandoned his car, stuffed with clues, only 250 yards away. It was not examined until eight days later, and then only after a passer-by reported it.

Then there was the blunder of the Kidderminster phone boxes where Neilson sought to make contact with the Whittle family. News of the kidnapping had leaked out and police withdrew from the boxes, assuming the kidnapper would be aware of the reports. Neilson made his call and there was no one there to take it.

A further disquieting aspect revealed by the book is the rivalry and lack of liaison and co-operation between some of the police forces. Mr. Hawkes's argument for a supremo to run major inquiries which cross several force boundaries is strongly supported in a foreword by Leonard (Nipper) Read, head of the Regional Crime Squad network at the time.

Neilson always claimed he was innocent of murdering Lesley Whittle and appealed unsuccessfully against this conviction. Mr. Hawkes is convincing in his theory that Lesley was alive when Neilson fled from the drainage shaft at Kidsgrove, Staffordshire, believing police were closing in and that they would free her from the wire tether round her neck. Was she trying to free herself when she slipped off a ledge and died of shock?

Crimes

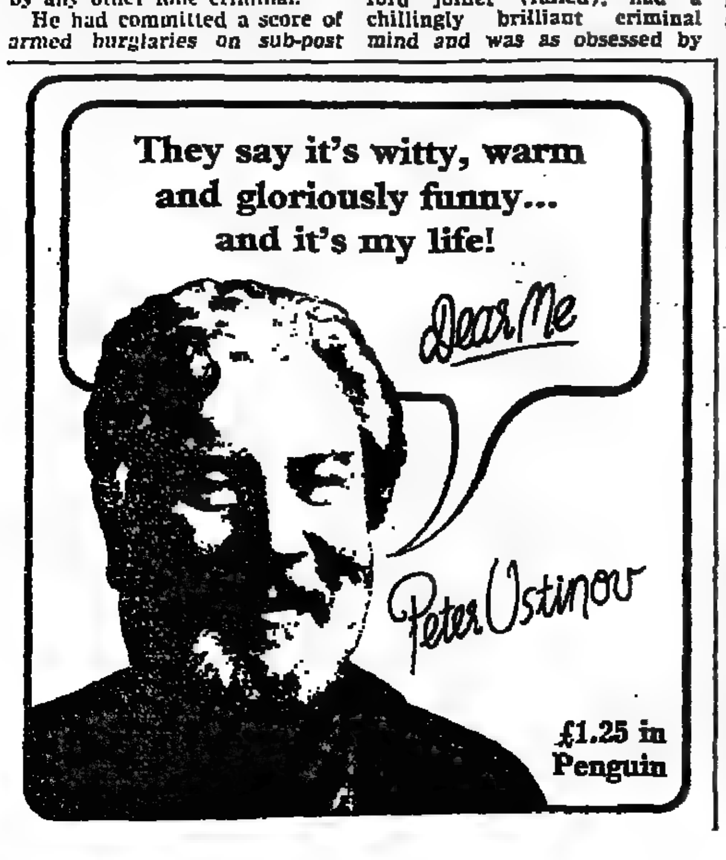
BY ELIZABETH FORBES

A rattling of old bones, by Jonathan Ross. Constable. £3.95. 187 pages

Willie Blore, third-rate burglar, discovers the mummified body of a pregnant woman in the cupboard of an empty house. Judith Quint, rich, nymphomaniac owner of the house, hasn't been seen for five years. It looks as if her bird-painter husband, or one of her many lovers, has resorted to murder to hush up a scandal. The case is solved by Superintendent Rogers, on whom Judith once exercised her charms (in vain); he also has his own problems, chief of them being Bridget Hunter, Doctor of Medicine and Graduate in Morbid Pathology.

Day of Judgment, by Jack Higgins. Collins. £4.95. 224 pages.

Father Sean Conklin, elderly Irish-American priest who runs the League of the Resurrection, or Christian Underground Movement in Berlin, is kidnapped by the East German State Security Service. After brainwashing by a renegade American expert in "thought reform" he is to be made to admit at a public trial that his organisation is financed by the CIA—an admission which will nullify the political effect of President Kennedy's visit to West Berlin in June 1963. So Conklin must be rescued from Schloss Neustadt on the Elbe by Simon Vaughan, ex-British Army officer who specialises in the liquidation of terrorists. The resulting action is vivid and convincing, but atmosphere and zeitgeist are less authentic.



Piece of Resistance

Tears of Glory: The Betrayal of Vercors 1944 by Michael Pearson. Macmillan. £4.95, 254 pages

The Vercors massif, its walls thousands of feet high, dominates the plain of the Rhone and Isère rivers, like some natural citadel. It was to become the scene of the most famous drama of the French Resistance.

Two days after D-Day, thousands of Frenchmen rallied there, to gain control of the passes and attack the Germans from the rear. With the outlawed Tricolor fluttering in full view of the German HQ at Grenoble, Vercors was declared a free sovereign territory. But the expected air support from De Gaulle's Force C never materialised. When the Germans massed their greatest force ever deployed against the Resistance, the climax was inevitable. First came the long battle, then the German vengeance.

Vercors has become a subject of controversy, accusation and counter-accusation. It has passed into legend. In practical terms, it tied up 20,000 Germans who were prevented from joining the battle of Normandy.

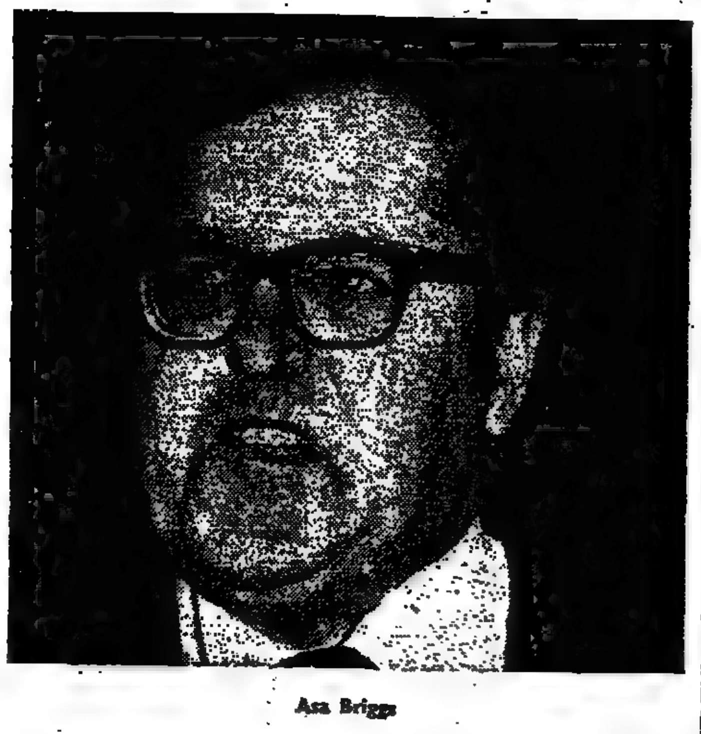
A story that deserves to be better known.

JOHN DUNSTAN

ARTS

Take it from there

BY CHRIS DUNKLEY


Asa Briggs

Sound and Vision: The History Of Broadcasting In The United Kingdom, Vol. IV, by Asa Briggs. £25.00, 1,082 pages

The nostalgia induced by the fourth volume of Asa Briggs' history of British broadcasting is of a poignancy which is almost embarrassing—after all, the period under review is very recent: 1945 to 1955. Yet reading now about the events, the people, and especially the attitudes of those years, it is impossible to suppress the feeling that despite being the aftermath of the war, that decade was also the last in an age of innocence.

All the events in this huge book occurred before Suez and Hungary, before Elvis and *Look Back In Anger*, before "the affluent society" and Private Eye. William Haley, BBC director-general from 1944 to 1952, seems to have been as much if not more of a Reithian than Reith himself, who had left in 1939. Explaining to the BBC's General Advisory Council in 1947 the introduction of Light, Home and Third Programmes, Haley described it as an attempt "to lead the listener on to more serious things," to move him "up the cultural scale." Maybe in a few years, he said, "the Light Programme will be where the Home Service is now, and the Home will have passed on to other standards." He saw the BBC's job as "the slow but rewarding process of raising public taste." How remote that characteristic assurance seems in these demotic days of *Blankety Blank*.

The quotations which convey the mood so vividly are taken by Briggs from a variety of sources, but mostly from the BBC's own store of documents. Because the BBC is a bureaucracy which has lived by the memo (and may yet perish by it) there is, seemingly, a vast written detritus through which Briggs has worked, like an assiduous archaeologist with a little trowel. Judging from the number of minutes, reports and notes which are left in footnotes after the sifting and seiving, the surprise is not that this fourth volume has taken so long, but that one man ever managed it at all. Yet the result, for all its weight of documentary references, is highly readable.

However, it is not "The History Of Broadcasting In The United Kingdom." It is, rather, a fond account of the administration of the BBC, which is not at all the same thing. On the BBC's finances, engineering, audience measurement, administrative coups and failures one could not reasonaby ask for more. There is an exhaustive account of the Beveridge Committee, even though Briggs remarks quite rightly that its results were negligible compared to the results of social and political changes. There are valuable sections on overseas broadcasting policy and the cold war, on Eurovision, and on the debate about broadcasting and General Elections.

This last topic is one of the few where a hint of the BBC's imperfection creeps in: it is made clear that it was the BBC itself and not the political parties which sterilised political broadcasting at the end of the War. Other questionable BBC corporate characteristics, particularly the over-sensitivity to signals from Westminster and Whitehall, are allowed to slide by without too much embarrassing detail, as in the cases of a ban on a Val Gielgud play, the stopping of *Charles Hill's Radio Doctor* series, and the campaign against Michael Foot's part in *In The News*.

The account of the battle for commercial television adds little if anything to Peter Black's excellent 1972 book, *The Mirror In The Corner*.

The important criticism, however, is that all this is anyway a little like describing *Hamlet* in terms of the scene-shifting: what of the prince himself, what of the actual programmes and the broadcasters? The period in question spans one of the greatest periods of radio, the birth of post-war BBC television and the opening of ITV. On radio these were the years of *The Brains Trust*, *Take It From Here* and *Mrs. Dale's Diary*. Television was stealing audiences with *Animal, Vegetable, Mineral?* *Muffin The Mule* and *Course Of Justice*. Each of these programmes (except the last) is mentioned, but anyone interested in broadcasting rather than constitutional history will find the space devoted to them astonishingly small.

Much the same bizarre disparity exists in the treatment of administrators and broadcasters: the roles of Haley, Cecil McGivern, George Barnes, and so on are thoroughly explored, but it is no use looking here for more than passing reference to Raymond Glendenning, Alvar Lidell, or Stuart Hibberd.

Can anyone be really satisfied with a book of 1,082 pages on *The History Of Broadcasting In The United Kingdom* from 1945-1955 which deals with Dylan Thomas and all his work including *Under Milk Wood* in 4½ lines?

When Big Brother is the paymaster

BY ARTHUR SANDLES

IF Mr. Ian Trethowan, director general of the BBC, has nightmares then this one must be high on his list. Imagine a BBC weakened by financial problems and encouraged by government into heavy borrowing. Imagine that its audience ratings are suffering and that the critics are giving it a mauling. More and more programmes are being imported. Then, in a new round of the now annual licence fee negotiations, the government overrules a Commons motion, proposed by the Liberals, to give the BBC a substantial cash reviver. Instead it again offers less than a cost of living increase.

It emerges that No. 10 has done this because the incumbent was furious about some programmes. In an angry reaction two-thirds of the BBC governors resign and are replaced by people sympathetic to the government. In a remarkably short time most of the offending programmes are off the air.

Just a nightmare? Impossible in a democratic country? Well, not quite. Precisely this drama took place in the summer of 1972 and involved America's Public Broadcasting System when President Nixon vetoed the new much increased budget for the Corporation for Public Broadcasting already approved by Congress. He then appointed or re-appointed 11 of the 15 members of the CPB Board. All that in a society which practices considerably more open government than is the case in the UK. No wonder the BBC grows nervous at suggestions of replacing the licence fee with a central government grant.

Details of the Nixon move, and the crippled condition of America's PBS ever since, are given in the second report of the Carnegie Commission on the Future of Public Broadcasting (published in the U.S. by Bantam Books under the title *A Public Trust*). It was the first Carnegie report which led to the formalisation of PBS in America and this second report, if similarly endorsed, would give PBS an annual budget of £600m by the mid-80s and create in the U.S. a serious rival to the BBC in international status.

It would be foolish to draw too many comparisons with the UK. In Britain the output of commercial television, with the notable exception of light entertainment, is immeasurably superior to that of the U.S. commercial channels. For that reason Britain does not face the small screen cultural desert that is presented to the average American viewer. Given greater funds America's PBS might well try to do a history of life on earth in the same manner as the BBC's current efforts. But the major commercial channels would never schedule anything like Thames's Botanic Man in prime time week after week as ITV did in the UK. This relative strength of ITV is not of course necessarily good news for the BBC. In the U.S. it is the paucity of thinking television that is encouraging the drive towards a strong non-commercial fourth network. In Britain such pressure is weaker.

When the BBC was briefly off the air a few weeks ago there was no cry of cultural starvation. The gap between ITV and BBC is not comparable with that between the News of the World and the Sunday Times. Thus it may be possible to undermine the BBC financially for a very long time before anyone really notices. That undermining already has made considerable progress.

All this explains why the BBC's search for practical ways of sustaining the licence fee system has become increasingly frantic. The Corporation is desperate to find some way of getting Westminster off the political hook, for it is obvious that no government is going to give the sort of financial support to the BBC in present circumstances that would allow it the luxury of extensive experimentation and the removal of the current abundance of imported material.

Mr. Trethowan has appealed to staff for ideas that would separate the BBC from what has become an annual round of budget negotiations. Indexation is an obvious, if politically unpalatable, solution to the funding problem. But it does not remove the obstacle of the annual licence demand. The BBC may say that it is among the lowest fees in Europe but then Britain is one of the poorest countries in Europe. Any change in the collection system is likely to be further confused by the justifiable demand that the change should somehow be linked to finding a way round the problem of some sectors of the population's ability to pay. Any such system would complicate the fee position and add considerably to collection costs.

The Carnegie report urges that America's PBS get £293m a year from local government, viewers/listeners and the business community, and that more funds be generated by making the commercial channels pay a fee for their use of frequencies. In Britain any appeal to public or corporate generosity as a replacement for compulsory payment would seem destined to fall flat on its face. To seek £100m a year in the UK by such means would be laughable. There may be a stronger case for diverting the present ITV advertising levy to the BBC although you would then be on a path towards robbing the future fourth channel of its cash source. There is one aspect of BBC revenue which is subject to direct attack by the proposals of the Carnegie report.

To quote: "Because the present public television system has a relatively small amount of discretionary funds for the development and production of new programming it is often easier, cheaper, and less risky to acquire programmes produced by other broadcasters, particularly those in Great Britain. While the volume of British programmes shown in the U.S. represents the cream of that country's commercial and non-commercial output, the effect on American viewers is the impression that public television prefers actors and commentators with British accents.

"The problem is certainly one of public perception—such programmes give rise to accusation of elitism and anglophilia. For the professionals involved in the (U.S.) domestic production industry the problem is more serious. The vast resources of the American television are presently under used. Except at the very pinnacle of the field, unemployment is rampant. When they do get work, writers, producers, and directors, as well as the other talent they hire, are forced by commercial television into predictable and often debased formula series. In public broadcasting, creative energies are sapped in a confusing and time consuming search for financing."

The following comment further emphasises the danger of British reliance on the American market being eager to carry on importing programmes: "Excessive reliance on imported programming is primarily the result of the present system's inadequate funding base. To acquire a programme already produced overseas is less costly than to produce it here. With substantial new funds . . . the public broadcasting system should be able to increase its commitment to American talent."

The BBC and ITV have been looking to the U.S. increasingly over the years as a source of revenue. The Ascent of Man, Monty Python and ITV's Upstairs Downstairs have all done well in the American market. There is a strong suspicion that the present Shakespeare series on the BBC could not have been considered without the injection of £1.8m of American money. But the U.S. seems intent on eliminating this artistic colonialism just as the British have been attempting to exclude similar invasions at the other end of the cultural scale.

The BBC's ability and willingness to accept commercial support outside the UK contrasts with its attitude within its own national borders. If say U.S. Shell, paid $2m for a prestige drama series from the BBC this would be acceptable, although it would be gift wrapped as a Time-Life/BBC co production, since Time-Life Inc. is the BBC's U.S. agent. But if British Shell offered BBC 2 £1m for a similar task it would not be taken up on the offer, which at first glance may seem something of a pity.

Britain's fourth channel may be allowed such indulgences if it is set up in the form that the Annan committee was keen to see. Sponsorship in this form is not always bad. To quote evidence given to the Carnegie commission on the subject by Mr. Herbert Schmertz of the Mobil Corporation: "Question: You said that Mobil feels a responsibility for the content of the programme it supports. How is that different from interference?

"Answer: We think we have a contribution to make in the area of programme selection. We have always made recommendations concerning programmes and public television is free to accept them or not as they see fit. I'll tell you one story for example. When Upstairs Downstairs first became available . . . the entire public television establishment was opposed to its acquisition. We were just as adamantly in favour of it, and we said, if you're not going to acquire it, we are going to acquire it anyway and find some way to run it on American television whether it's commercial or public. At that point public television said they would take it. I think the upshot of that is that our judgment was correct.


Mrs. Bridges and Emily downstairs in Upstairs Downstairs, LWT's very successful series which in America was shown on Public Service Television after pressure from commercial television interests.

ARTS

'Poppea' at the Opéra

Jon Vickers and Gwyneth Jones

A strike by stage staff was in force at the Paris Opéra for most of January; according to report, it continues still. This affected the schedule of performance without crippling it; for the operas down to be given, *L'incoronazione di Poppea* and *Die Entführung*, were played in costume, and with the use of important stage props, but without sets—single cycloramas had to serve for each.

This hampered the 1978 Gunther Rennert production of Monteverdi (revived and adapted by Michael Dittmann) hardly at all. In *Poppea* the communication and interaction of character are what matter most; scene-painting as such, though also included in Monteverdi's boundless musical range, forms only a minor part of it. What counts is the cast, the instrumental assembly, and, in modern times, the conductor. The Opéra had opted for the Raymond Leppard version, conducted by Julius Rudel; and had chosen for it just about the grandest *Poppea* cast in modern times: Gwyneth Jones (Poppaea), Jon Vickers (Nero), Christa Ludwig (Octavia), Richard Stilwell (Otho), Valerie Masterson (Drusilla) and John Macurdy (replacing Nicolai Ghiaurov as Seneca), supported by an excellent representation of such leading Opéra singers as Jocelyne Taillon, Michel Sénéchal, and Danièle Perriers.

It has been claimed for the show that "this is the only way to do it" in a large theatre. When voices of Wagnerian dimensions belong to singers with outsize personalities, the central issues in Busenello's and Monteverdi's music drama will be argued on the grandest scale. Certainly it was, in this, a performance of quite exceptional grandeur. Nero may have sung his music an octave below pitch, and may have played the role with a wholly modern psychological insight; no one who has seen the craggy Vickers profile gripped by a rage of terrifying intensity will ever forget the sight. (Rennert, maintaining the unhappy tradition he began at Glyndebourne, made a drunken carousal of the Nero-Lucan duet; Vickers, now on stilts and now crooning babyishly on the floor, got up as a gigantic, grape-bestrewn Bacchus, compounded the error with the perversity of genius.) Miss Jones in the title role was similarly incandescent, and for once the often undisciplined *tremolo* was turned to good account, in the suggestion of a free and rampant sexuality.

A grand but a slow-moving, monumentalised, and ultimately un-Monteverian *Poppea*. There could be no question of a swift and quick-spirited interplay between the declamation of the singers and the instrumental forces—the separation between them was too wide, and the complement of instruments too heavy (for a house of this size the Leppard orchestration was undertaken by 27 strings, with a continuo section of harps, harpsichords, organ, chitarrone, guitar, and strings manned by 11 players). Leppard himself might still fire the mixture to a fleeter kind of dramatic pacing; in Rudel's hands, it became stately, stolid, and often rather sludgy.

And often it was the very thick-textured opulence of the voices themselves that posed a musical problem, and gummed up the movement. As Octavia, Christa Ludwig looked magnificent in the imperial red or purple velvet of Jose Varona's costumes. She bore herself and her voice with the sweep and the majesty that we expect of one of the leading Frickas of the day. But the voice "speaks" too slowly, too portentously for the Italian words.

The exceptions in this picture of vocal heaviness in leading roles were Otho and Drusilla, lightly, freshly and forwardly sung, the direction of the vocal line dictated by the words — if anyone can make a case for a baritone Otho it is the noble, fine-featured Stilwell. It is time Leppard restored much more of their music to his edition, as he has restored the Prologue; time, too, to return the scene for the page and maid-of-honour, sweetly played by Charles Burles and Danièle Perriers, to its proper place, and to redispose the opera into its original three acts. The present structure, when the excuse of a Glyndebourne dinner interval is missing, makes for two lengthy and rather ill-shaped acts.

MAX LOPPERT

Les Trois Chevaliers aux Serpents

PUPPETS
GARRY O'CONNOR

This fascinating puppet show, visiting the French Institute from Liège, provides a most unusual, now probably unique, form of theatrical entertainment. The puppets are made of metal and carved wood and can weigh up to 14 kilos; their prototypes came from Sicily and they were very popular in mid-19th century Belgium. Whole cycles of chivalric or religious drama were performed.

Each puppet is manipulated from above, by an iron rod attached through a ring in the head. That is all. No independent action for leg and arm. No movement of upper or lower jaw to simulate speech. One voice serves all the characters with a minimum of impersonation.

Les Trois Chevaliers aux Serpents is a mere 14th of a long chivalric romance, in a somewhat geographically blurred location, ostensibly England. Three knights decide to go to the rescue of a beleaguered king, Lisvert, and in spite of defeating his enemies in battle, are captured by Aravigne and Arcalaüs, and imprisoned in a castle. Subsequently they are released by the "belle dame" Dariolette.

The effect is eerie, clumsy, majestic, crude, all at once. The sheer weight of the puppets' presence, in magnificent costume and armour, whether still or swaying, or thrashing about in battle is strongly appealing, and the slight continual twist given to their heads while they talk gives them the grandiloquent measure of old ham actors.

By way of relief a pair of rustic characters is introduced, called *Tchantchès*, derived from the François. These are Sancho Panza-types, bringing some earthiness to the proceedings and joining with gusto in the battles, kicking and butting. The battles themselves are the show's highlights: knights take on bunches of rank and file, to the frenzied sound of drumming, and the front of the stage is heaped with the pitiably distorted slain.

THEATRES THIS WEEK . . . AND NEXT

QUEEN'S—*Tommy*. Elaborate staging of the tale of the Who's record. *Not for the thoughtful.* Reviewed Wednesday, Thursday.

RIVERSIDE STUDIOS—*A Rite Kwik Metal Tata*. David Halliwell back in his old form in a piece about Yorkshire Liberation. Reviewed Thursday.

OPEN SPACE—*Brimstone and Treacle*. The play that the BBC made for TV but wouldn't transmit. A young man, or a devil perhaps, rapes a helpless invalid with both, good and evil consequences. Reviewed Thursday, Friday.

OLIVIER — *A Fair Quarrel*. *Jacobean comedy satirising the* current code of honour and how it was aped by the ignorant. Dull, frankly. Reviewed Friday.

On Monday at the Half Moon in Alie St., E1, *Heart of Darkness*, adapted from Conrad. On Tuesday at the Theatre Upstairs, *Full Frontal*, a new play by Mustapha Matura. Wednesday at the Round House, *Manchester Exchange's fine adaptation of Waugh's Gilbert Pinfold* with Michael Hordern.

SALEROOM
ANTONY THORNCROFT

The Alexander James Collection of Early English Silver Spoons sold for £57,885 at Phillips yesterday. It was collected by Jonathan Beagley, a London publisher, and named after his son, Alexander, who is only two. It is having to be sold prematurely because of death duties.

The earliest spoon in the sale, a late Medieval English acorn knop spoon of the 14th century, sold for £1,250; and the latest, an early Victorian three piece Christening set, for £1,200. A rare Mary I baluster knop spoon realised £3,200; and a pair of James I provincial apostle spoons, which unusually contain a spoon showing Christ, fetched £3,600.

Christie's sale of Old Masters yesterday made a total of £299,200 with a top price of £13,000 being paid by de Boer, the Amsterdam dealer, for a pair of still lifes of flowers in glass vases, one bearing a monogram and the date 1653. They had been catalogued as by O. Elliger.

The Schoolmistress

Patricia Routledge and Clive Francis

THEATRE
MICHAEL COVENEY

Even Pinero himself, in a letter to Augustin Daly, admitted that *The Schoolmistress* (1886) was "a weak, fragile thing." It was a big success at the old Court, however, and it is brave of the Royal Echange Theatre in Manchester to risk the farce in its space-age auditorium.

It also furnishes Patricia Routledge with a part ideally suited to her considerable talents. Miss Dyott runs a boarding school for 27 young ladies in Portland Place. She has recently married the Hon. Vere Queckett, an idle cad whom she is anxious to save from the bankruptcy courts. She plans to increase her income by appearing in a musical comedy but, naturally, she must keep this from Queckett. Parallel to this tale of loyalty cloaked in deception runs the determination of several girls in the school to celebrate the secret marriage of one of their number to an unsuitable 17-year-old. Queckett, "whose suppers in the Albany were at one time a proverb," has obviously to maintain appearances and invites his friend John Mallory round to his digs (i.e. Volumnia College).

Mallory brings in tow the Rear-Admiral Archibald Rankling, whom we have met earlier, as his daughter is at the school. However, he has not seen her for several years and is somewhat intoxicated after a good supper at the Admiralty, so he enters unwittingly upon the feast and even leads off a quadrille with his daughter on his arm. For the party is functioning as both Queckett's binge and Dinah's belated wedding breakfast.

While it is true that much of the dialogue is stilted and unfunny, the comic situations are strong and the characters firmly presented. The Admiral is a marvellous creation, not done full justice in Michael Robbins's crude interpretation: although a Cockney, the old sea dog should have a veneer of pompous respectability of the sort one can imagine Fred Emney providing in the 1950 revival.

Act Two ends in a conflagration at the school, Miss Routledge descending from the theatre's roof on a swing in full comic Brunnhilde regalia to demand an explanation. Once the scandal of her musical comedy turn is out, the rave reviews arrive and from the ashes of Volumnia College rises the Phoenix of her new career. The girls have struck an effective blow against the restrictions of etiquette, for Dinah is allowed to keep her man on condition she does not marry him for five years.

There is some excellent work from Ann Hasson as the girls' ringleader, an inventive Irish colleen who teams up with Mallory in the conservatory between crises. And Rosalind Knight, Clive Francis (as Queckett) and Peter Settelen find the Pinerotic groove with some success. But the jewel of James Maxwell's production is Miss Routledge, who crowns a beautiful performance of anxious determination with a rousing display of her musical talents to convince us and her surprised friends that the reviews did not lie. Perhaps the Pinero revival will now really take off. What about, for instance, the one that almost brought GBS round, *The Notorious Mrs. Ebbsmith?*

TV/Radio

† Indicates programme in black and white

BBC 1

9.20 am Feeling Great! 9.30 Multi-coloured Swap Shop. 12.13 pm Weather.
12.15 pm Grandstand: Football Focus (12.20); Boxing (12.50) Highlights from Wembley this week; Racing from Newbury (1.20, 1.50, 2.30, 3.00); Ski-ing (1.40, 2.50) The World Cup: Men's Giant Slalom; Ice Hockey (2.10) National Hockey League All Stars v Soviet National Team for the National Hockey League Challenge Cup; Rugby League (3.20) The State Express Challenge Cup: Hull v Leeds; Darts (4.20) Embassy World Professional Championships (Final); Sixth Test, European Figure Skaters (reports); 4.40 Final Score.
5.15 The Pink Panther Show.
5.35 News.
5.45 Sport/Regional News.
5.50 Jim'll Fix It.
6.25 Dr. Who.
6.50 Saturday Night at the Movies: "The Beasts Are On The Streets."
8.23 The Two Ronnies.
9.03 Starsky and Hutch.
9.53 News.
10.05 Match of the Day.
11.03 Parkinson.

All Regions as BBC-1 except at the following times:

Scotland — 4.55-5.15 pm Scoreboard. 5.45-5.50 Scoreboard. 10.05 Sportscene. 10.35-11.05 A Handful of Songs. 12.05 am News and Weather for Scotland.

Wales—8.55 am Feeling Great! 9.05-9.30 Telifant. 5.45-5.50 pm Sports/News for Wales. 12.05 am News and Weather for Wales.

Northern Ireland — 12.50-1.40 pm (Grandstand) Ulster Senior Boxing Championships. 1.40 Join BBC-1 (Ski-ing). 5.05-5.15 Scoreboard. 5.45-5.50 Northern Ireland News. 12.05 am News and Weather for Northern Ireland.

BBC 2

8.05 am-1.50 pm Open University.
1.50 Darts: Embassy World Championship.
2.20 Saturday Cinema: "Bachelor In Paradise," starring Bob Hope.
4.05 Play Away.
4.35 One Man and His Dog.
5.10 Network.
5.40 Men of Ideas.
6.25 Cricket: Sixth Test: Australia v England (highlights).
6.55 Rock Goes to College.
7.35 News and Sport.
7.50 On the Record.
8.25 "Capriccio" by Richard Strauss. Opera from Glyndebourne (simultaneous with Radio 3 stereo).
10.50 The American Short Story.
11.15 News on 2.
11.20 Darts: Embassy World Professional Darts Championship (Final).
†12.03 am Midnight Movie: "Along The Great Divide," starring Kirk Douglas.

LONDON

8.35 am Sesame Street. 9.35 The Monkees. 10.00 The Saturday Morning Show. 11.30 Tarzan. 12.30 pm World Of Sport: 12.35 Headline; 1.15 News; 1.25, Athletics; 1.45, Sport and the cinema; 2.00, ITV Four; Haringay greyhounds; 3.00, World ski-bob championships; 3.10 International Sports Special—Great Pool Shoot-Out from Waldorf Hotel, New York; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Dick Barton — Special Agent.
5.30 Happy Days.
6.00 Chips.
7.00 Dick Turpin.
7.30 Celebrity Squares.
8.00 Saturday Action — "The Kansas City Massacre" (film made for television).
9.45 News.
10.00 Flat Bust.
11.00 How To Stay Alive.
11.30 Baretta.
12.30 am Close: Xanthi Gardner reads from 'The Prophet' by Khalil Gibran.

All IBA Regions as London except at the following times:

ANGLIA

9.10 am Cartoon Time. 9.30 Positive Soccer with Jack Charlton. 10.00 The Secret Lives of Waldo Kitty. 10.30 Tiswas. 5.30 pm Mork and Mindy. 6.00 The life and Times of Grizzly Adams. 8.00 Feature Film: "The Smugglers." 11.00 Star Treatment. 11.30 Pro-Celebrity Snooker. 12.15 am At the End of the Day.

ATV

9.10 am How to Stay Alive. 9.35 Positive Soccer with Jack Charlton. 10.05 The Lost Islands. 10.30 Tiswas. 5.30 pm Mork and Mindy. 6.00 The Incredible Hulk. 8.00 Saturday Cinema; "Winter Killer." 11.00 Michael Legrand and Friends.

GRANADA

9.35 am Positive Soccer with Jack Charlton. 10.05 The Flintstones. 10.30 Tiswas. 5.30 pm Mork and Mindy. 6.00 Chips. 8.00 The Big Adventure Film: "Assignment Munich." 11.00 A Little Night Music. 12.00 Sidestreet.

HTV

9.05 am The Child Wants a Home. 9.30 Beachcombers. 9.55 Cartoon-time. 10.05 The Flintstones. 10.30 Tiswas. 6.00 The Incredible Hulk. 8.00 Saturday Cinema: "Slay Ride," starring Glenn Ford. 11.00 The New Avengers. 11.50 Star Treatment.

HTV Cymru/Wales—As HTV General Service except: 5.30-6.00 pm Sion a Sian. 11.00-12.00 Once in a Lifetime.

SCOTTISH

9.35 am Positive Soccer with Jack Charlton. 11.30 The Flintstones. 12.00 Wait Till Your Father Gets Home. 5.30 pm Sale of the Century. 6.00 Man from Atlantis. 8.00 Big Adventure Film: "Assignment Munich." 11.00 Late Call. 11.05 Celebrity Concert: Jose Feliciano.

SOUTHERN

9.00 am Sesame Street. 11.30 Chopper Squad. 12.27 pm Regional Weather Forecast. 5.15 Batman. 5.30 Give Us a Clue. 6.00 Bionic Woman. 8.00 Best Sellers: "Evening in Byzantium," starring Glenn Ford. 11.00 Southern News. 11.05 Michel Legrand and Friends. 12.00 Bygones.

TYNE TEES

9.00 am Saturday Shake-Up. 9.05 Tarzan: 10.00 Call It Marconi. 10.25 Saturday Shake-Up. †10.35 Saturday Morning Film: "Too Many Crooks," starring Terry-Thomas and George Cole. 12.15 pm Saturday Shake-Up. 5.30 Happy Days. 6.00 Six Million Dollar Man. 8.00 Skulduggery. 11.00 Celebrity Concert—Cleo Laine. 12.00 Epilogue.

ULSTER

10.10 am The Bubblies. 10.15 Spiderman. 10.35 The Little House on the Prairie. 11.30 Sesame Street. 5.00 pm Sports Results. 6.00 Lucan. 8.00 Saturday Movie: "Skulduggery," starring Burt Reynolds. 11.00 Build Your Own Boat.

WESTWARD

9.00 am First Steps in First Aid. †9.25 Saturday Morning Picture Show: "The Belles of St. Trinians," starring Alistair Sim. 10.55 Positive Soccer with Jack Charlton. 11.25 Look and See. 12.25 pm Gus Honeybun's Birthdays. 5.30 The Life and Times of Grizzly Adams. 6.30 Happy Days. 11.00 George Hamilton IV. 11.30 The New Avengers. 12.25 am Faith for Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Spiderman. 9.20 Man From UNCLE. 11.00 Cartoon Time. 11.05 How. 11.30 Six Million Dollar Man. 8.00 "Skulduggery," starring Burt Reynolds and Edward Fox. 11.00 Celebrity Concert with Cleo Lane. 12.00 The Practice.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.03 Playground. 8.00 Ed Stewart with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.31 The Moody Blues Story (S). 5.30 It's Rock 'n' Roll (S). 6.31 In Concert (S). 7.30 Mike Read. 10.00 Discovatin'. 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S) including 7.32 Cricket: Sixth Test and 8.03 Racing Bulletin. 8.05 David Jacobs (S) with star sounds on records (S). 10.02 Kevin Morrison (S). 12.02 pm Marti Caine chooses records (S). 1.02 My Sainted Aunt. 1.30-6.00 Sport on 2: Football League Special (1.30, 2.10, 2.50, 3.05, 3.45); Racing at Newbury (1.30, 1.55, 2.35, 3.05) (plus results and classified check 5.45); Cricket: Sixth Test (1.30, 2.10, 3.05, 5.00) Australia v. England; 5.00 Sports Report: Classified Football checks 5.00, 5.45; Rugby Round-up 5.25. 6.03 Europa 79. 7.02 Don Davis's Just for Fun. 7.30 Radio 2 Top Tunes (S). 8.30 Stan Reynolds and his Orchestra (S). 9.30 Saturday Night with the BBC Radio Orchestra (S). 11.02 Sports Desk. 11.10 Ray Moore with The Late Show (S) including 12.00 News. 2.02 Cricket: Sixth Test (report). 2.04-5.00 You and the Night and the Music with Colin Berry (S).

RADIO 3

‡4.55 am Cricket: Sixth Test—Australia v. England. ‡7.05 Aubade, part 1. ‡7.55 Weather. 8.00 News. 8.05 Aubade, part 2 (S). 9.00 News. 9.05 Record Review including Building a Library (S). 10.15 Stereo Release (S). 11.00 Lydia Artymiw piano recital (S). 11.45 Robin Ray presents popular classics on records (S). 1.00 pm News. 1.05 Piano Trios (S). 2.10 Man of Action: Nicholas Fairbairn chooses records (S). 3.25 Edinburgh International Festival 1978 (S). 4.10 Hayek's Narrow Road (talk by R. A. Hodgkin). 4.30 French Orchestral Music (S). 5.00 Jazz Record Requests (S). 5.45 Critic's Forum. 6.35 The Piano Roll (talk by David Wilde). 7.30 Crusell and Beethoven chamber music concert (S). 8.25 "Capriccio" (simultaneous with BBC-2 television), opera in one Act by Richard Strauss (S). 10.50 Dowland (S). 11.05 Sounds Interesting (S). 11.55-12.00 News.

VHF Only—6.20-8.00 am Open University.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Yesterday in Parliament. 9.00 News. 9.05 International Assignment. 9.30 The Week in Westminster. 9.55 News Stand. 10.15 Daily Service. 10.30 Pick of the Week (S). 11.20 Time for Verse. 11.30 Wildlife. 11.55 Spiegl on Saturday. 12.00 News. 12.02 Away From It All. 12.27 You've Got To Be Joking says Cardew Robinson (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 Bookshelf. 2.30 Saturday-Afternoon Theatre. 3.30 Does He Take Sugar? 4.00 The Noble Savage. 4.45 Enquire Within. 5.00 Prefaces to Shakespeare. 5.25 Week Ending (S). 5.50 Shipping forecast: 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs. 6.50 Stop the Week with George Melly. 7.30 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 With Great Pleasure (S). 11.00 Lighten Our Darkness. 11.15 Singer's Choice. 11.45 Just Before Midnight. 12.00 News.

WEEKEND CHOICE

SATURDAY: Another adventure for *Dick Barton* starts in the Blue Parrot night club (why is that such a 1940s name?) BBC2 repeats its highly praised Glyndebourne version of Richard Strauss's *Capriccio* with Elisabeth Soderstrom as the countess and the LPO under the young British conductor Andrew Davis. ITV sustains its impressive supply of single plays with *Flat Bust* by Peter Draper, about a young girl arriving in Leeds in search of her future. BBC2's "American Short Story" series offers John Updike's *The Music School* with John Korty confusingly credited not only as director/cameraman but also "writer."

SUNDAY: Sam Wanamaker directs *Return Of The Saint* on ITV at 7.15. BBC2 promises an emphatically middle-aged version of *Julius Caesar* at 8.05 with Keith Michell as Mark Antony, Charles Gray as Caesar and Virginia McKenna as Portia. At 10.30 in *Wilderness* BBC1 asks intriguingly "Could the deserts' unique qualities have shaped the emergence of Judaism, Christianity and Islam?" and journeys with the Bedouin to try to find out.—C.D.

TV RATINGS

UK TOP 20 WEEK ENDING FEB. 4
UK TOP 20

		viewers m
1	This is Your Life (Thms.)	18.25
2	Corontn. St. (Wed.) (Gran.)	17.55
3	Corontn. St. (Mon.) (Gran.)	16.50
4	Crossroads (Wed.) (ATV)	16.15
5	Crossroads (Thurs.) (ATV)	15.90
6	Two Ronnies (BBC)	15.80
7	Blankety Blank (BBC)	15.75
8	Crossroads (Tues.) (ATV)	15.70
9	Charlie's Angels (ITV)	15.65
10	Crossroads (Mon.) (ATV)	15.30
11	Return of the Saint (ATV)	14.85
12	Emmerdale Farm (Tues.) (Yorks.)	14.30
12	Celebrity Squares (ATV)	14.30
14	Leave It To Charlie (Gran.)	14.10
15	Butterflies (BBC)	13.90
15	Thomas and Sarah (LWT)	13.90
17	Ken Dodd (Thms.)	13.85
18	Take My Wife (Gran.)	13.80
19	The Super Stars (BBC)	13.75
19	Dick Turpin (LWT)	13.75

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research.

CHESS SOLUTIONS

Solution to Position No. 254

(a) is best—White then may not have enough for a pawn. Ljubojevic chose (b) 1 . . . R-B8; 2 RxB, Q-B6 (expecting 3 QxQ, RxR ch and mate or 3 R(2)-N1, Q-KS ch and mate, but . . .); 3 R(2)-N1, Resigns. It's all a mirage—White's rook on QN1 indirectly controls K1.

Solution to Problem No. 254

1 Q-KR8. If 1 . . . K-Q3; 2 QxP, or if K-B4; 2 Q-K5, or if K-K5; 2 Q-R1, or if N(3) moves; 2 Q-K5, or if N(5) moves; 2 Q-R1.

COLLECTING

"The Ralph Wood model, on the contrary, is notably realistic in form, and looks very much like the work of someone who had actually seen an elephant."

Elephants in the china shop

BY JANET MARSH

SOTHEBY'S have a good sale of English ceramics next Tuesday; but for sheer charm all else in it is eclipsed by the elephant illustrated here. He was modelled by a Staffordshire potter of the Ralph Wood school somewhere in the 1770s. The animal, picked out in powdered grey, stands in front of a triple spill vase formed as a tree and decorated in the characteristic Ralph Wood glaze of brilliant emerald green.

The English have always had a special affection for elephants; and for potters the animal has the added attraction of stout legs particularly well suited for modelling in clay. The British Museum has another irresistible pachyderm, made some quarter of a century before this one, and with the black and purply brown splash decoration of the Whieldon type of early Staffordshire lead-glaze pottery.

It is very unlikely that the Whieldon potter could ever have set eyes on an actual elephant, and his animal, with its somewhat mole-like appearance and large paw feet, was clearly inspired by some not very reliable seventeenth century bestiary. The Ralph Wood model, on the contrary, is notably realistic in form, and looks very much like the work of someone who had actually seen an elephant. This is not improbable: menageries had become a popular entertainment by the last quarter of the eighteenth century, and some of them may well have possessed elephants.

Lot 27, 13th February 1979, est. £800-£1,200. A rare and attractive Ralph Wood 'Elephant Spill Vase'; 8 inches; about 1770-80.

The earliest elephant immigrant to these shores that I have been able to identify with certainty, however, is the celebrated Chunoo, who was first exhibited in 1809 at the menagerie in Exeter 'Change, in the Strand. Chunoo had a brief but brilliant theatrical career when he appeared in a revival of *Blue Beard* at Covent Garden, and struck up a chummy relationship with Edmund Kean, who used to give him loaves of bread in exchange for caresses with his trunk.

Unhappily, after retiring from the stage, Chunoo became unpredictable in his moods, and in 1826 it was deemed prudent to destroy him. This was only effected after a file of soldiery had fired more than 150 bullets into him, under the gaze of a fashionable assembly who had come to marvel at the spectacle. His skeleton was sold to the Royal College of Surgeons for £100.

I have failed to find any ceramic tribute to Chunoo, but there is a Victorian Staffordshire group to commemorate a thespian successor, known only as the Royal Elephant of Siam. This animal starred in a play of the same title, written expressly for him and performed at the Adelphi in 1829. Afterwards he toured the provinces, thrilling audiences with "his passage over the rocky heights, in which he showed his incredible agility—his providential detection of a conspiracy—his demolishing the walls of the prison, and contrivance for the escape of the rightful prince and his followers, by substituting himself instead of a scaling ladder, by means of which the Prince and party escape from the usurper of the throne of Siam." "His Dance after supper," the commentator ended, "is the most surprising as well as the most ludicrous piece of Elephantine mimicry ever known to be attempted by such an unwieldy creature."

Still more celebrated than this gifted creature, however, was Jumbo, who bequeathed his name to the English language as an epithet for anything of great size, from jet aircraft to hamburgers. Jumbo was the first African elephant to reach England and was proudly acquired by the Zoological Society of London, by exchange with the Jardin des Plantes, Paris, in 1865. Jumbo was then about six years old, and during the next 17 years became a favourite with visitors to the Zoo, patiently giving rides to thousands of excited little passengers.

By 1882, however, Jumbo's temper had worsened; and the Zoological Society were quite relieved to accept an offer for him from Phineas T. Barnum, the great American showman.

At Jumbo's farewell luncheon, the Zoo Superintendent blandly stated that "No one liked the elephant more than he did. He was an extraordinary good-natured beast, and while he had many friends he had not an enemy in the world." Such flattery proved unwise, since it was believed by the public, who raised a furious outcry; while a fellow-member of the Society attempted unsuccessfully to get an injunction to prevent the sale.

Jumbo himself won even greater popularity by his personal refusal to co-operate in being shipped. For six weeks he refused to budge or to get into the crate designed for his journey. On one Monday alone 25,000 people visited the Zoo, just for a final glimpse of their loyal favourite. The ultimate and inevitable departure was a signal for national mourning, inspiring popular ballads and such literary pieces as "Jumbo's Farewell":

They cared for me well going out to sea
But could not soothe my misery.
For naught could banish from my mind
The wife and friends I left behind.
And oh! to crown my sorrows quick
The waves arose and made me sick

Barnum paraded Jumbo up Madison Avenue, and within a fortnight saw a profit on his investment. Jumbo's American career was brief. In 1885 he was killed in an altercation with a locomotive at St. Thomas, Ontario.

The monumental Staffordshire figure of Jumbo—which when found can now command a very substantial price—was not quite the last homage of the Staffordshire potters to pachyderm celebrities. Elephant fanciers should also look out for a novelty teapot created in 1937 in the form of the elephant Kala Nag and his rider Sabu, the stars of Robert Flaherty's film *Elephant Boy*.

CHESS

LEONARD BARDEN

THE AWARD of a brilliancy or best game prize always enhances the status of a chess event. It is a matter of taste whether a brilliancy, with its images of dazzling sacrifice, king hunts, and free open play, is preferred to a best game, implying the iron consistency of a Botvinnik and the technical perfection of a Capablanca. Many tournaments have recognised the difference in appeal between the two kinds of win and instituted separate awards.

The pair of games this week show how difficult it is to compare the quality of a best game and a brilliancy. The first is from last year's Guernsey festival and the second from the United States Open championship. Both received a top award.

Which game is more satisfying? Davis v Bisguier contains spectacular play, with a knight sacrifice on White's 14th and a dramatic bishop sacrifice on move 20. If the reputation of the loser is relevant, then this is a fine piece of giant-killing. Black is an experienced grandmaster, and White an unknown evidently playing the game of his life.

In the second game, the player of Black has no international reputation, but in fact he proved a strong contender and shared first prize at Guernsey with three others, including the game winner. But from the viewpoint of sound, positionally satisfying play, the second game has a clear edge.

Black makes no obvious error but is gradually ground down, driven back behind his pawn defences, and finally left so cramped that he cannot resist White's invasion.

In Davis v Bisguier there is an element of sui-mate, as if the grandmaster wanted to see how far he could experiment against his far weaker rival. Personally I slightly prefer the second game because of its original feature of a positional squash on an almost full board, but many may like the brilliancy better.

White: L. Davis. Black: A. Bisguier. Opening: Centre Game (U.S. Open 1978).

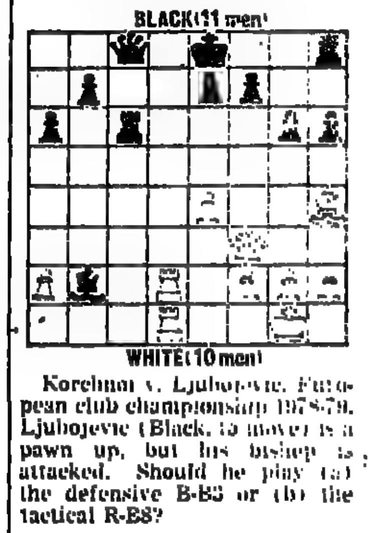
1 P-K4, P-K4; 2 P-Q4, PxP; 3 P-QB3, PxP; 4 NxP, P-Q3; 5 B-QB4, P-QB3; 6 N-B3, N-Q2; 7 B-K3, KN-B3 (simpler is P-QN4 first to stop the white queen and bishop lining up against KB7); 8 Q-N3, Q-K2; 9 O-O, N-N5; 10 B-Q4, QN-K4; 11 BxN, NxB; 12 NxN, PxN; 13 QR-Q1 (now the position is difficult for Black, and reminiscent of Morphy's famous opera box game. P-QN4 fails to NxP, but Black could now try P-QR3 intending P-QN4), B-K3? (provoking the sacrifice); 14 N-Q5! PxN; 15 B-N5 ch, K-Q1 (if B-Q2; 16 RxP, R-Q1; 17 RxB, RxR; 18 R-Q1, the Morphy theme again); 16 RxP ch! BxR; 17 QxB ch, K-B1? (Q-Q3 looks better); 18 R-B1 ch, K-N1; 19 B-R6! (the pretty point which the GM probably missed. If PxB; 20 R-B3 and Q-N5 fails to 21 Q-Q8 ch), P-KN3; 20 BxP, B-R3 (QxB; 21 Q-Q8 ch); 21 R-B3, R-Q1; 22 B-R6! Resigns. An attractive finish. If RxQ; 23 R-B8 mate, and otherwise White intends Q-N5 or N3 ch.

White: D. Parr Black: S. Ingenerf. Opening: Pirc Defence (Guernsey Open 1978).

1 P-K4, P-Q3; 2 P-Q4, N-KB3; 3 N-QB3, P-KN3; 4 N-B3, B-N2; 5 B-K2, O-O; 6 O-O, B-N5; 7 B-K3, N-B3; 8 N-Q2, BxB; 9 QxB, P-K4; 10 P-Q5, N-K2? (after a routine opening, Black misses a good chance with 10 .N-Q5! 11 BxN, PxB; 12 N-N5, P-QR3 (R-K1 and N-Q2 are also possible); 13 NxP4, NxQP and Black stands well); 11 P-QR4, P-QB3; 12 PxP, PxP; 13 N-B4, N-B1? (very passive—after NxKP! 14 NxN, P-Q4 Black is still in the game) 14 KR-Q1, Q-K2; 15 R-Q2, N-K1; 16 P-B3, R-N1; 17 QR-Q1, Q-B2; 18 B-B5; B-R3 (PxB; 19 R-Q7); 19 R-Q3, B-N4; 20 B-R3, Q-K2; 21 K-R1, R-N2; 22 P-R5, Q-N1; 23 N-R4, R-B2; 24 R-N3, Q-R1 (a pathetic place for the powerful queen); 25 P-R6, P-B3; 26 N-R5, R-B2; 27 R-N7, B-Q1; 28 Q-B4, P-QB4; 29 Q-N5, Resigns. If he defends the attacked knight, White wins the queen by 30 R-N8.

POSITION No. 254

BLACK (11 men)

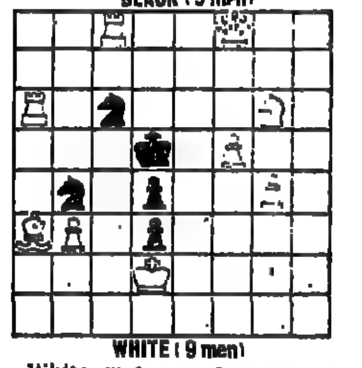


WHITE (10 men)

Korchnoi v. Ljubojevic, European club championship 1978-79. Ljubojevic (Black, to move) is a pawn up, but his bishop is attacked. Should he play (a) the defensive B-B3 or (b) the tactical R-B8?

PROBLEM No. 254

BLACK (5 men)



WHITE (9 men)

White mates in two moves, against any defence (by A. Paarmann).

Solutions Page 16

BRIDGE

E. P. C. COTTER

IF YOU consult the table of recommended opening leads in any bridge book, you will find high up on the list the King (or Ace) from three or four cards headed by Ace, King. The average player, indeed the better-than-average player, who holds such a combination looks no further for his opening lead. Gradually, however, players are waking up to the fact that a lead from such a holding may in certain circumstances give away the contract. Let me recall a hand I played against two of our lady internationals:

N.
♠ A K 9 7 5 4
♥ Q 7 5 2
♦ 8 3
♣ 7

W.
♠ Q J 8 2
♥ A K 6
♦ A 5
♣ K 10 6 3

E.
♠ 6 3
♥ J 9 8 4
♦ Q 7 4
♣ Q J 8 2

S.
♠ 10
♥ 10 3
♦ K J 10 9 6 2
♣ A 9 5 4

Neither side was vulnerable, but East-West had a part score of 40, which accounts for some of the bidding. West opened with one no trump, North said two spades, East gave a fanciful raise to two no trumps, and I with the South cards bid three diamonds. West doubled, North passed trustingly—he knew I had heard his bid of two spades—and East passed unhappily.

West led the heart King, and switched at once to Ace and another diamond, but the damage had been done. Winning East's Queen of diamonds in hand, I drew the last trump and returned my ten of hearts to set up the Queen on the table. West won, and switched to the three of clubs, but I was able to get home with five diamonds, two spades, a heart and a club.

The heart lead involves a fatal loss of tempo, because it allows me to set up the heart Queen before my club Ace has been forced out. If West starts with Ace and another trump, she defeats the contract. I can still set up a heart trick, but not in time for it to be of any use to me. In the meantime the defenders will have gathered in one trump, two hearts, and three clubs.

Now for another hand from rubber bridge which goes much deeper:

N.
♠ K J 8 3
♥ 5 4
♦ 6 5
♣ A Q J 8 3

W.
♠ 7 2
♥ A K J 10 6 3
♦ K 7 4
♣ 9 4

E.
♠ 6 5
♥ Q 9 8 7 2
♦ 9 2
♣ K 10 5 2

S.
♠ A Q 10 9 4
♥ —
♦ A Q J 10 8 3
♣ 7 6

With North-South vulnerable, South dealt and bid one diamond, West said one heart, and North two clubs. After East had raised to two hearts, South unmasked his batteries with three spades. North raised to four spades, and South showed his powerful hand with five diamonds, but North only gave preference with five spades. Undeterred, South bid six spades.

How many Wests do you know who would not lead the heart King? Yet a good defender should be able to work out that this lead is unlikely to do much good, and may be disastrous.

South has bid six spades, although he knows he may lose to the diamond King. He has almost certainly six diamonds and five spades, and it is long odds that he is void in hearts—East gave a heart raise on a hand which cannot contain many points. West's one asset is the diamond King, which is certain to make unless dummy has a singleton. If East has a trump trick, which is most unlikely, it cannot run away, but if he has the club King, it could run away on declarer's diamonds—they are pretty sure to be solid once the King is forced out.

After this constructive thinking West took his hand off the heart King, and led the nine of clubs, which was the killing lead.

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Saturday February 10 1979

Back into the trenches

THE Prime Minister looked understandably dispirited in his television appearance on Thursday night, but his firm words on fiscal policy and public sector pay helped to restore some confidence to the financial markets yesterday. *The first reaction to* the rise in Minimum Lending Rate—which was not in itself a very firm gesture—was somewhat muted, but the follow-through was firmer. Some £400m of funding has been achieved, *and the latest figures for public* sector borrowing encourage hopes that spending has remained well under control. The growth of domestic credit, at least, can be contained.

These realities

However, these purely financial criteria, which were *so crucial in our last national* crisis in 1976, are no longer a reliable guide to progress against inflation. Excessive wage settlements, if they become the norm, must face any Government with a dilemma. A completely unyielding *monetary* policy, in face of a steep rise in costs, could threaten widespread bankruptcies; in other words, in a sufficiently inflationary cost climate, the protection of a stable currency may become near-impossible.

There are two ways to reduce this danger: to stand up to excessive wage claims wherever possible; and to reduce the public sector's demand for the limited available credit. In other words, the present situation means confrontation and a tough Budget. The Prime Minister may be beleagured, but he appears to understand these realities.

Excessive

Indeed, the present reliance on monetary policy is already dangerously excessive. Interest rates on a base of 14 per cent *are far* more burdensome now than they were two years ago, because the prospective rate of inflation, even on gloomy forecasts, is much lower. A manufacturer or trader can no longer rely on recovering the cost of *financing his stocks* out of rising prices, and the finances of productive investment are even more questionable. The monetary squeeze may, therefore, prove far more depressing to growth than it was last time, unless financial pressure can quickly be relieved.

The reason for this dilemma is, ironically, the one piece of good news which has survived recent weeks: the pound remains strong in international currency markets. This has as much to do with North Sea oil as with monetary control; indeed at present high interest rates are attracting considerable flows of funds from overseas as well as *checking the rate of price increases.*

The result is that high interest rates will only be partially effective in checking the growth of the money supply; that can now only be achieved not by restricting the supply of domestically created credit, but by reducing the demand—in other words, by cutting the Government's own demands. Historically, British governments have been driven to tough Budgets because the currency was weak. This time, the need for a tough Budget is dictated partly by the fact that the currency has remained strong. *The logic of a sound currency* is driving the Government towards sound policies—policies which will not throw the whole burden of fighting inflation on to the private sector.

Three ways

Merely reducing public sector *borrowing* is, *however, only* a part of the fiscal answer. This can be done in three ways: through higher taxes on incomes, higher taxes on spending, or through reduced public spending. All produce somewhat *similar* results in financial accounting terms, but their economic impact is very different.

The Government, which talks of a tough Budget in punitive terms, may be thinking in terms of taxes on income, to "*punish*" those who are causing the problem. This is far the worst answer, and is likelier to provoke than to discourage the militants who have proved their strength. Higher taxes on spending are somewhat less damaging, though still depressing to activity, and can to some extent be concentrated in areas such as drink, tobacco and petrol where the burden both to the productive economy and to the really poor is minimised.

Cannot be raided

However, by far the healthiest approach is to halt the growth in public spending, still planned *to rise by some 2½* per cent in real terms next year. This is unfortunately the least appealing approach from the point of view of a Labour government; but if Mr. Callaghan is indeed thinking nationally, as he *claimed, then a review of spending* should be put in hand at once. A significant start could be made simply by declaring that this year, unlike last year, the contingency reserve in the programme will remain a reserve, *which cannot be raided* in advance by the Cabinet.

Such policies, followed firmly, cannot produce a "fair" outcome which can never emerge from a naked trial of strength, or prevent a recession; but they *can still transform a major* economic crisis into a manageable setback.

A referendum to concentrate the mind

SCOTLAND IS rather a pleasant place to be at a time when the British Government's fortunes appear to be declining by the day. There are no strikes to speak of. The schools are open, the hospitals are functioning and the rubbish is being cleared. Even the reports of bad weather seem to have been much exaggerated. The sun shines brightly on Calton Hill, the Edinburgh site of the proposed new Scottish Assembly.

Yet, whatever the difficulties at home, it is to Scotland that the Government's attention must shortly turn, and there could be troubles ahead. The referendum on the establishment of the Scottish Assembly is due to take place on *March 1*, and the result is far from a foregone conclusion.

The worst possible outcome, but according to many of those in the field the most probable, is that the decision on whether or not to go ahead with devolution will be thrown straight back at Westminster. Under the 40 per cent rule (to which we shall return later) approval of the Assembly requires a majority not only of those who vote, but *a majority which amounts to 40* per cent of the Scottish electorate. That is a formidable hurdle for the "yes" campaigners.

For the Government, however, the problem will come if the majority *of those who turn out* is substantially *in favour* of devolution, but falls a few percentage points below the 40 per cent of the electorate laid down in the Scotland Act. Should it attempt to press ahead with the Assembly, or not? *On that judgment*, if it comes to it, a great deal will depend.

Yet let us assume for a moment, and for a change, that the worst won't happen. The result of the referendum will be either a clear "no"—in which case this form of devolution can be forgotten for a good many years *to come—or* a clear "yes," in which case the Assembly will come into being. Either way, it would be a considerable political achievement, the most lasting achievement perhaps of the Callaghan Administration.

One only has to look back a year or two to see why. Not so long ago, the Scottish National Party was rampant. There were widespread hopes—or fears—that it would win a majority of Scottish seats at a general election. At a by-election scarcely a Labour nor a Tory seat seemed safe from the SNP's encroach*ments*. Separatism, or at least the threat of it, was very much on the political agenda. Today all that has changed. The Nationalists did relatively badly at all three Scottish by-elections last year, and the Party still *shows little sign of recovery.*

There is a number of reasons why this change came about. One is that at the by-elections Labour candidates in particular did their best to expose the split that has always existed *among the Nationalists' supporters*. Some are in favour of outright independence. Others merely vote SNP as a form of protest, rather as some English people sometimes vote Liberal. *The by-elections served to bring* the Nationalists with a capital "N" out into the open. They were obliged to declare where they stood and there was a corresponding loss of support. Many of the protest voters seem to have taken *fright* at the thought of Scotland going it alone.

Another reason was the apparent economic recovery under Mr. Callaghan. The Prime Minister's political fortunes and those of the Labour Party rose higher than they did in England. There may also have been a certain lowering of expecta*tions. If world economic reality* was as harsh as Mr. Callaghan sometimes suggested, that was one more reason why Scotland should think twice about wanting to go off on its own. Clearly, too, there was a revival of English interest *in Scottish* affairs. More ministers went there, and shadow ministers as well. The role of the Scottish Development Agency, for example, was played up.

All that apart, however, it cannot escape notice that the decline of the Scottish Nationalists coincided with the passing of the devolution legis*lation at Westminster. Devolu*tion was designed as a halfway house between the existing arrangements and separatism, and it may be that this is what the majority of the Scottish people want and need. In other words, *it is* the solution for nationalists with a small "n," people who are more than regionalists but less than saparatists. That, at any rate, is the theory that is now being put to the test. If the test is *passed—and it will take some* time to tell—it could well be that the Callaghan Government will be regarded by historians as the one which finally came to terms with Scottish Nationalism.

There are some members of the SNP who are prepared to go along with this view. If the Assembly turns out to work, they say, well and good; there will no longer be any point in seeking independence. That is the rational approach, but in the SNP it is also the minority one. The real reason why the Scot*tish National Party is campaign*ing for a "yes" vote on March 1 is tactical. It is that the Assembly is seen as a stepping-stone to asking for more, not this year perhaps nor even next, but certainly within a few years' time. *Independence is still the* aim, and the Assembly merely the way.

There is another side to the coin. The best argument that the "Scotland says No" campaign can deploy is to expose the SNP's ambitions. A vote for the Assembly, it claims, is a vote for separatism, and there are *signs that this is having* some effect. What is at stake, therefore, is whether a tactical alliance of Nationalists and devolutionists, officially backed by the Labour Party and supported by some Tories, all *Liberals and the Communists*, can prevail over the unionists, officially backed by the Tories and supported by some Labour dissidents. What is at stake in the longer run, assuming that the Assembly is established, is whether the devolutionists can then prevail over the Nationalists. (If that sounds unduly complicated by the standards of British politics, one can only say that politics in Scotland are different, though it was much the same in the old debates over Ireland.)

Mr. Callaghan and devolution publicity: extra votes or the kiss of death? Helen Liddell, general secretary of the Scottish Labour Party, is left holding the poster.

Activists' hostility

Until a few weeks ago it was fairly widely assumed that the "yes" campaign would win, even despite the 40 per cent rule. Two factors seem to have led to some reassessment, and both of them concern the Labour Party. The first is that *the official* Labour *support* for devolution appears to be having little influence on many Labour activists on the spot. They remember only too well that Labour Party policy used to be precisely the opposite and they regard *their real enemies* in Scotland as being not the Tories but the SNP.

There was a notable example of this when I accompanied an SNP canvasser in Glasgow the other day. We knocked by accident on the door of the constituency's Labour Party agent. "Why," said the canvasser, "are you against the Assembly?"—"Because," he replied, "you're for it." There were some *further remarks* about the irrelevance of devolution to Scotland's requirements when what it really wanted was full-blooded socialism, about the absence of vandalism in China, and Mr. Callaghan being a Tory. But the gist *of it was* that here was a man capable of bringing out a large part of the Labour vote, yet who was not prepared to lift a finger for the sake of a Scottish Assembly. It is this kind of indifference bordering on hostility among Labour Party activists that is one factor causing concern within the "yes" *campaign.*

The other, and much more recent, factor is Mr. Callaghan *himself. The MORI poll* published in the Daily Express last Tuesday and giving the Tories a 19 per cent lead if there were to be a general election tomorrow sent a tremor through the "yes" headquarters. There has been no *comparable survey of* opinion in Scotland published in recent weeks, though the results of the latest Systems 3 poll are due out in the Glasgow Herald on Monday. It is assumed that the Labour Party's reputation cannot have declined quite as fast in Scotland as it has in England, partly *because of the relative absence* of strikes. Yet it is feared that any decline could damage the "yes" campaign.

There is a curious twist of fortune here. Until very recently the Nationalists believed that Mr. Callaghan's support would help to see them home. They were relying on Labour Party posters and *leaflets picturing a* confident Prime Minister to bring in the extra votes. Now there is some apprehension that Mr. Callaghan's blessing will be more like the kiss of death.

Yet the Nationalists are nothing if not tactically astute. Many of them are also consummate charmers. In the past they have *specialised in publicly under*estimating their support in order to emphasise the size of their advance when it came. No doubt there is an element of that this time. There is, too, a carefully prepared fallback position, which brings us back to the 40 per cent rule.

The 40 per cent barrier would *be difficult, but not impossible*, to cross at the best of times. It puts a premium on getting the merely passive supporters to the polls. On a 70 per cent turn out, for example, the "yes" campaign would require a 57 per cent vote to win. On a 60 per cent turn out it would require two-thirds of the vote, and if the turn out were to be only 50 per cent, the requirement would rise to 80 per cent of those voting.

The Nationalists have seized on two points. The first is that in no previous test of opinion in Britain has such a criterion been applied. The second, and more important, is that the 40 per cent rule is anyway unreliable because of deficiencies in the electoral register. That there are such deficiencies cannot be denied. There are students who are registered twice. In Glasgow especially there are voters registered at tenements which no longer exist. There are also the dead. But the real question is: how great is the margin of error?

The SNP's claims about this appear to be advancing by the week, the latest being "at least 12½ per cent." Mrs. Margo MacDonald, Vice-Chairman of the SNP, is urging students who are doubly registered to vote twice, though the slogan "vote early, vote often" is not confirmed. But in the end it may be a problem for Westminster rather than the SNP. The Government has already acknowledged that electoral registers, even new ones, are less than perfect, but it has yet to make a judgment on the extent of the shortcomings. It is probably wise to refrain from doing so unless and until it has to.

Yet if the "yes" vote is a clear majority but falls below 40 per cent of the electorate, a judgment will have to be made. If it is (say) 37-38 per cent of the electorate, there may well be a case for trying to push ahead with the Assembly regardless. If it is (say) 35 per cent, similar reasoning may just apply. But somewhere around that 35 per cent level there must be a grey area where it would be exceedingly difficult to decide what to do.

What has to be remembered is that any attempt to repeal the 40 per cent rule would have to be put through Parliament, which imposed the rule in the first place. At the same time, any attempt to deny devolution to the Scots despite a clear *majority of votes cast could be* storing up trouble for the future.

There is also the question of whether the Government wants to cultivate SNP support at Westminster in order to maintain the possibility of remaining in office beyond March. That is another reason why the outcome of the referendum matters. It will not be easy for the Government to take realistic calculations about its own future, or about the timing of the budget, until the result is known. Coupled with the by-elections in the Conservative-held English seats of Clitheroe and Knutsford, which are also to be held on March 1, the referendum should at least help to concentrate the mind. Monday, March 5, could bring some interesting announcements.

Malcolm Rutherford

Letters to the Editor

Liability

From the Director of Technical Services, Institute of Cost and Management Accountants.

Sir,—The well-timed contribution by Mr. Sutherland Smith (January 24) lacked only one argument to complete the story. The future pension being earned by the individual is based on the time in service and the employee's pension's contract. The commitment by the company or government is therefore capable of definition for entitled employees at the *end of each accounting period.*

It is one of the basic axioms of accountancy that a liability should be matched against the income for the period when the liability was incurred. If business is making a profit, then a *portion of that should be ear*marked in some way to meet the liability. If it is making a loss, then the extra liability to be paid for out of future profits should be displayed for all to see. This would include the employee, who is likely to be very interested if future profits are insufficient to meet the commitment.

There is no reason in a rational system for government agencies to assume that future taxpayers will have the taxable capability to meet bills for ever-increasing numbers of government servants. Every time a *new established civil servant is* taken on, a liability is being incurred which is liable to be met on or after his or her 60th birthday. There is no excuse for keeping the tax-paying public ignorant of the very large contingent liabilities beng incurred by government which will need to be met out of some *future GNP.*

It is interesting to note that the recent White Paper on expenditure plans 1979 to 1983 (see Cmd. 7439) does not consider it important enough to display the figures separately for this steadily increasing liability. Yet it is surely important since a liability of this nature *must result in a progressive per*centage increase within government expenditure year by year and must therefore either pre-empt a substantial proportion of any annual increase in real terms, or decrease the money available for other activities. Proper funding would obviate this, and also show the real cost at the time the commitment was incurred.

J. C. R. Hewgill.
ICMA, 63, Portland Place, W1.

Pensions

From Mr. J. Squire

Sir,—Mr. Faulkner (Feb. 1) does well to highlight the thorny question of inflation proofed pensions in the public sector. Far too little is known about this by the general public.

Even if the company director mentioned by Mr. Faulkner had wanted to "inflation proof" his pension he would have been hindered by Inland Revenue regulations. These restrict forward funding for pensions in the private sector to an escalation rate of 8½ per cent. It is *only our masters* i.e. MPs, civil servants and local government officials who are permitted to indulge fully in this luxury at our expense.

The cost of providing an escalation rate of 8½ per cent *to a retirement pension is* double that of a level amount of pension with no escalation. Very few private firms can even afford to provide this rate never mind a full inflation proofing. Nevertheless, the public is pay*ing for this for the public* sector from current taxation.

When will we all realise that if our masters are inflation proofed they will have no incentive to cure inflation.

J. C. Squire.
Wedgewood,
Somerfield Road,
Maidstone, Kent

Accountants

From Mr. B. Waters.

Sir,—Mr. Littlewood (February 2) begs the ancient question whether those trained in particular disciplines can make the admittedly large leap from specialist to general management. If his premise were to be accepted, then engineers would be as unsuited as he maintains that accountants are for the task of taking management decisions in a complex technical / marketing / financial environment.

Yet it is precisely because the training of accountants prepares them to look beyond the boundaries of their immediate subject and to relate this to virtually every problem faced by modern industry, that there are today so many accountants in *top management positions. Part* of their patently successful role is indeed, as Mr. Littlewood observes, to minimise risks. But that is very far from being a negative function. A good accountant will help to provide the parameters for entrepreneurial talent to take not less risks but better risks, that is, to take those decisions which on the best overall calculations are most likely to enhance the fortunes of a business and least likely to damage them.

Brian Waters.
The Chequers,
Preston,
Hitchin, Herts.

Concordat

From the Liberal Parliamentary Candidate for Brighton Pavilion

Sir,—A "concordat" between Government and TUC is a very nice idea, but any agreement without a means of enforcement built into it is doomed to *failure. Will* any of the unions currently pressing their claims for 20 per cent, 30 per cent, and 40 per cent be withdrawing them? Unless there is some evidence of this happening, the whole exercise is a waste of time.

There are, however, more hopeful signs. Responsible opinion in the country is at last coming round to the fact that an incomes policy—and one that *can be enforced—is vital for our* future stability, and indeed, survival.

The Liberal Party has of course argued the case for an incomes policy for several years, but the "traditionalists" of both left and right have ensured that their respective parties adopt it only as a measure of last resort, and in such a way that inequalities and anomalies build up and eventually destroy it.

Now, however, there are signs that the conditioned response "it won't work" *is giving way* to "it's got to be made to work" and individuals and groups from both other Parties, and indeed the unions themselves, are putting forward proposals for taming the "free-for-all" dragon before it devours us all. *In par*ticular, the proposals in "A better way," the document produced by a group of moderate union leaders, are the most encouraging developments we have seen for some time.

The public is ready for it, the time is ripe for action, so why don't we get on with it? Why don't the three Party leaders, *as David Steel* suggested, get together and work out a "concordat" on a much broader front?

I can think of lots of bad reasons why Mr. Callaghan and Mrs. Thatcher have rebuffed his offer. Can anyone *think* of any good reasons?

Delia Venables.
10, Southway, Lewes, Sussex.

Aid

From Mr. T. McKnight

Sir,—Hugh Dykes (January 31) correctly states that Britain has received £250m of regional aid from the EEC since 1975. With the exception of Italy, we are indeed the largest beneficiary of this fund.

What politicians constantly fail to acknowledge is that the *regional aid fund is a very small* proportion of the EEC budget (ref. "A summary of EEC finances," January 3, to which I was a contributor). In 1977 the total of regional aid payments amounted to only 3.41 per cent compared with 87.4 per cent to agriculture.

Would not the Labour and Conservative Parties be better advised to spend their efforts negotiating a more equitable distribution of the EEC revenue than playing "party games."

T. G. McKnight,
28, Curzon Mews,
Wilmslow, Cheshire.

Liberals

From Mr. B. Fogarty

Sir,—Re Men and Matters on the European campaign (February 6); the selection of Liberal candidates is proceeding quite happily despite your *remarks. We haven't, of course,* had any headlines about splits in the party over European policy, or whether to have a dual mandate or even juicy little paragraphs about big names scurrying about the country looking for a constituency willing to accept them.

We prefer to do things the Liberal way: select a candidate *efficiently and democratically*, to run for the only British party with a consistent and genuine commitment to a democratic European Community.

Bernard M. C. Fogarty,
(East Surrey Liberal Association),
7, Eastlands Way,
Oxted, Surrey.

Entrepreneurs

From Mr. D. Cooksey

Sir,—John de Bruyne's response (Management Page, January 31) to my plea for the unshackling of entrepreneurial spirit in the United Kingdom serves most adequately to reinforce my thesis. In his penultimate paragraph he *observes* just *how few* entrepreneurs there are to compete with, which is an undoubted reflection of the hostile climate that prevails for the budding British entrepreneur. Indeed he personally demonstrates just *what an exceptional talent* is needed to succeed in Britain today.

We observe that 50 per cent of all industrial jobs in the U.S. disappear every eight years. But the American attitude to the mobility of capital and labour encourages the creation of new businesses, new jobs and a concomitant high standard of living. A proportion of those new businesses will grow into the great industrial corporations of the future, to replace the decaying and dying industries so much in evidence as the core of the British industrial problem of today.

If we are to create new jobs and to encourage the evolutionary cycle of industry, then it is vital that we remove the obstacles to starting new businesses. Today the entrepreneur is the fall guy of the politics of *conflict, despised for his success* and plundered in the name of equality. While Mr. de Bruyne may relish devising the means for increasing his reward from his business indirectly, I would rather live in a society where those who work hard and creatively are justly rewarded and have no need to manipulate the taxation system.

Mr. de Bruyne views the problem subjectively and I have no doubt that he has a very satisfactory operation, however, the two indispensable ingredients of a business, namely money and people, have been *progressively immobilised* by legislation. A healthy economy demands that capital and labour should be attracted to areas of growth rather than be locked in to old decaying industries. The tax advantage of placing private investment in the institutions discourages the mobility of capital, since these institutions do not have the flexibility required as an equity source for the entrepreneur. It is also abundantly obvious that *British labour, taking advantage* of recent legislation, is pricing itself out of a job, not by the rate of pay but by its intransigence and lack of productivity.

While Mr. de Bruyne apparently defends Government interference in industry, I would maintain that the relative decline of British industrial performance and the relative lowering of British living standards, directly relates to increasing political interference in industry and the stifling effect of our taxation system on risk taking.

D. J. S. Cooksey.
Denork,
St. Andrews, Fife.

The good and seamy sides of breeding

BY JOHN GRIFFITHS

A dog's life for 600,000

DOGS ARE big business not only for the pet food manufacturers but also for the growing number of "fringe breeders" some of whose activities are causing concern to the Kennel Club and the RSPCA.

The 8,154 aristocrats now at Earls Court for the 83rd Crufts show, plus the lesser lights *making up the rest of Britain's* 5.5m dog population, last year munched their way through fresh and processed foods worth *nearly £300m.* The 140 trade stands at Crufts include those of dozens of manufacturers producing foods and accessories *ranging from tailored coats to* vitamin pills—for dogs, not owners—which together make up an annual market worth tentatively estimated at £200m. Of the 1m puppies born in Britain each year, about three-fifths are now pure-breds—albeit many of dubious pedigree—with a retail value estimated variously at between £45m and £65m.

To the pet food manufac*turers, the market last year* was worth over £170m at retail prices in canned food, biscuits and the new semi-moist and dry foods. With the market research group Mintel also forecasting a continuing net growth in the dog population of 2 per cent a year—one British household in four now has one or more dogs—the pet food makers are assured of a steadily growing market for the next 10 years at *least.*

Meanwhile, Britain's breeders have seen the average price spread for a pedigree dog intended as a pet rather than for show purposes rise from £25-£50 in the early 1970s to £75-£100 now. Occasionally dogs can change hands for well into four figures. British dogs are much in demand abroad: from a few hundred in the 1960s, last year the Kennel Club issued export pedigrees for 8,424 dogs bound for 10 different countries.

It is Crufts which provides the British breeders' shop window for the world. *Of the* 50,000 paying visitors to the two-day show ending tonight, nearly 5,000 will have come *from abroad. Aircraft have* been chartered from the U.S. and Japan, while France, which is the biggest buyer of British *dogs—it took 1,700 last year*—will also have been well represented.

Unsavoury

However, behind this story of *growth* hangs a sorry tale.

Beneath the upper crust of Crufts lies a mixture of breeding and selling practices which, towards the bottom, becomes increasingly unsavoury and which plays a major part in the destruction of unwanted dogs—now approaching 600,000 per year. And for the RSPCA and other animal welfare organisations it is a business which is as costly as it is depressing.

The RSPCA's headquarters veterinary officer, Mr. David Wilkins, estimates that of each year's new crop of 1m puppies, *nearly two-thirds will finish up* unwanted. Of these, perhaps half are put down by vets and the welfare organisations within a few weeks of birth; the others will be put down later in life. The RSPCA alone, says Mr. Wilkins, puts down nearly 250,000 dogs a year.

A far higher proportion of crossbred and mongrel puppies born is put down than is the case with pedigree dogs. However, Mr. Wilkins believes that because of the greater number of pedigree dogs born each year now—some 600,000 against 400,000 cross-breds and mongrels—the number of pedigree dogs put down is about 300,000.

The RSPCA places much of the blame for this over-production on the way in which breeding has not been controlled, particularly during the past 10 years. From the animals sold by the hard core of "authentic" breeders—those *closely involved with the Kennel* Club and the show circuits—has grown, according to the RSPCA, a fringe of breeding *activities. These* range from the well-intentioned amateur to "puppy farm" operators who, as Mr. Wilkins describes it, "*obtain a few bitches and flog* them silly trying to get as many puppies as possible. I've seen some pretty crummy places *where this type of breeding is* carried out—the worst had about 50 dogs in a few outhouses with the bitches and litters kept in derelict cars."

The two types of fringe breeder, the RSPCA estimates, now account for something like 500,000 of the *new puppies* born each year.

The Kennel Club shares the concern of the RSPCA and other welfare organisations, but professes itself unable to do anything about the situation. Each year the Kennel Club itself registers some 200,000 puppies. But it has no idea at all of the number of breeders actually operating in the country. The Kennel Club secretary, Commander J. S. Williams, insists that the club has neither the legal authority nor the resources to control either breeding or the conditions under which dogs are bred: "Registration at the Kennel Club is an automatic process; not a good housekeeping seal of quality on a dog."

The commander admits that there is nothing to stop the owner of registered dogs buying in puppies *from* anywhere and declaring them to be the offspring of his own animals.

Altogether, the Kennel Club *has on its register* some 2m purebred dogs. The Petfood Manufacturers Association conducted a survey last year establishing that of the present dog population, some 57 per cent are pedigrees and the remainder crossbreeds and mongrels. *Quite apart from* those dogs registered at the Kennel Club which are not all they might be, that leaves 1.3m pedigree animals completely out of the purview of the pedigree "establishment."

This "fringe" breeding is attacked both by welfare organisations and the "legitimate" breeders. Quite apart from the question of over-population, the fringe-breeder-network is regarded as the area where most of the physical faults in the animals appear. With little *or no thought often given to* compatibility of size, temperament or physical attributes of parent dogs, afflictions such as hip dysplasia, often causing severe lameness, and progressive retinal atrophy, leading to blindness, become perpetuated despite the attempts of the Kennel Club and "legitimate" breeders to eliminate them through registers of animals certified free of the defects.

New markets

The fringe breeding problem has existed to some extent for decades. What has greatly increased it, the RSPCA suggests, is the emergence of *a large new market for the* puppies in the dealerships which have grown up during the past 15 years. These buy in puppies of often dubious pedigree from almost anywhere, with the larger dealerships in some cases selling 200-300 puppies a week in the summer season. Twenty years ago, advertisements by establishments offering just about every breed from Afghans to Yorkshire terriers were virtually unknown. Fifteen years ago, buying a pedigree dog involved tracking down an individual breeder via the vet or a Kennel Club list. Today the dealers allow a Saturday morning whim to be satisfied by a drive to any *one of a number of establish*ments where all but the more outlandish breeds can be picked up almost off the shelf.

The more dogs are acquired by more people with less effort, the RSPCA says, the more likely the dogs are to be got rid of.

"That is not necessarily to say that many of these places are badly or callously run," points out Mr. Wilkins. "Many of them are run to the best of the owner's ability. The fact remains, however, that they are a strictly commercial operation seeking a quick turnover and most of them could not care less whether the person buying has got a mansion or a garret."

The dealers also do not appear to offer any price advantages over the more genuine breeders. *I* rang one large dealer *in* Sussex to offer a litter of chow-chows (entirely imaginary—my own chow would have been surprised, being a five-year-old dog). I was offered £50 each subject to the pups looking okay and being in possession of a Kennel Club certificate (no questions about my qualifications as a breeder). The following day my wife rang the same dealer to inquire about chow pups. There might be *one soon,* she was told: price £100. I then rang Mrs. J. L. Bennet, a breeder and exhibitor of chows near Aylesbury, Bucks, who sells puppies only from her own establishment of eight bitches and eight dogs. Would-be customers receive a fairly severe grilling about the kind of home they have for a dog. The prices of her own brood are similar to that of her breeder contemporaries: *£75* for a pup intended as a pet, £100 for pups of potential show standard. Her kennel includes one dog in*dependently valued at £2,000.*

What both Kennel Club, breeders and animal welfare agencies are agreed on is that neither of two Acts of Parliament passed during the 1970s, the Breeding of Dogs Act and the Boarding Establishments Act, has had much effect either on the numbers of dogs bred or on the conditions in which they are bred. Under the Acts, local authorities are entrusted with *licensing and inspecting estab*lishments; but many find themselves too hamstrung by income and manpower limitations to do an effective job. Also the Act does not give them the power to make on-the-spot inspections. The result, the Kennel Club and the RSPCA agree, is that reputable breeders endeavouring to co-operate tend to get taken to task for kennels not conforming precisely to planning conditions, while fringe breeders escape the net altogether.

In 1976, a Government working party report recommended that *local authorities should* take over from the police their role as handlers of the stray dog problem, and set up a national dog warden service financed by a dog licence fee raised from 37½p to £5. Since then, the Joint Advisory Committee of Pets in Society (JACOPOS)—comprising veterinary associations, animal welfare societies, the Petfood Manufacturers' Association and Kennel Club—has con*cluded that the job could be* done adequately on a £3 licence. The service would be concerned not just with controlling dogs: it would license, and police establishments, and make a determined attempt to educate the public into more responsible attitudes towards dog ownership and breeding.

All such thoughts, however, are likely to be far removed from the minds of the surviving *competitors as the judging at* Crufts moves into its final phase tonight with the selection of Best-in-Show. Last year, the *honour went to Champion* Harrowhill Huntsman, a bouncy wire-haired fox terrier affectionately known as Ted to its owner, Miss Evelyn Howles. Miss Howles herself typifies a competitive, but largely non-commercial, spirit which is acknowledged to be still quite widespread in the dog show world and which the Kennel Club, in eschewing all forms of commercial sponsor*ship, endeavours to encourage.* She has not bred a litter from her half-a-dozen terriers for the past two years, and she has turned down an offer of £3,000 for Ch. Harrowhill Huntsman. She said last week that her exhibiting activities cost, rather than earn her money. Certainly, Ted's winnings from Crufts last year did little to offset her costs: they amounted to £4, plus, of course, the coveted Best-in-Show Trophy. And Ted's entry fee was, precisely £4.

Trevor Humphries

All the big noises of the dog world gather at Crufts: West Highland White Terriers in the judging ring yesterday.

Weekend Brief

Steel politics

The hard-pressed management of the British Steel Corporation (expected losses up to £350m this year) must be given high marks for trying. The senior men are convinced that the only way to make the business a going concern for the future is to cut out over-manning and old-fashioned steelworks, and to concentrate upon iron and steelmaking at a small number of modern and relatively efficient plants.

The proposal to close iron and steelmaking at Corby, Northants, with the eventual loss of 5,000 to 6,000 jobs is a real attempt to tackle the problem by active management. Unpublished estimates put the savings from closing those old furnaces at some £30m a year.

But what is good management for British Steel does not look so rosy to the politicians. The Cabinet is known to be distinctly uncomfortable—to say no more—at the prospect of *more jobs disappearing from* the steel industry during a General Election year to follow the 17,000 jobs that went last *year.*

In the past major plant closures used only to be accomplished against a backcloth of comings and goings in Whitehall, ministerial statements, and beer and sandwiches at No. 10. But this year the British Steel Corporation is on its own. The Department of Industry has studiously avoided being associated with any new national plan for reshaping the industry by cutting out jobs. *Sir Charles* Villiers, chairman, and his team know they must fight their own fight: secure their own settlements with the unions: make their own redundancy and compensation payments deals.

The 1968 White Paper on the future of steel was the result of a winter's agonising by ministers expertly guided by Mr. Gerald Kaufman the junior industry minister. While making much of the need for a slimmer and more efficient nationalised British steel industry it did not commit the Government to cut out a precise number of jobs. It now looks as though that posture of no visible involvement in the steel closures will be maintained by the Government right up to Election Day.

All of which makes life even harder for the people running the industry. *British Steel is* trying to scrap iron and steelmaking at Corby and at Bilton, Staffordshire, at the present time. The total *number of jobs* to go would eventually be around 6,000 to 8,000. Without Government backing it is not going to be *possible to accelerate* the 1979 closures programme by taking in other old works which are also contributing to British Steel's losses *at a rate of many* millions of pounds a year.

British Steel managers know they could save as much money again as they plan to *save on* Corby if they were allowed to close steelmaking at Shotton, North Wales. Another high *risk plant is* Consett, Co. Durham.

But politics is the art of the possible. And the unwillingness of the Government to involve itself indicates that the wholesale jettisoning of steel jobs is seen by the Cabinet as neither politically possible, nor perhaps desirable, so shortly before the General Election campaign starts in earnest.

Corby workers demonstrating outside British Steel's London HQ.

Feeling better

Physiotherapists have been urged this week to "carve the name of your profession with pride into the annals of 1979"—a high-flown way of hoping that they make up for a couple of dents to their collective ego in recent weeks.

The exhortation comes from the weekly paper Therapy, which mentions the conclusion of a study on the treatment of back pain, published in the British Medical Journal that, in a controlled trial, proper physiotherapy and placebo physiotherapy given to a control group eventually produced the same results.

And, second, Therapy said that an English cricketer in Tasmania *had to be taken to* hospital with a cracked nose and blurred vision after his physiotherapist fell on top of him.

As it happens, the same issue also reports that doctors and dentists are to be warned about possible harmful effects from the drug clofibrate used for heart patients. So it seems that (the acutely ill apart) the more people in the NHS who go on strike, the better.

The intriguing thought arises that while such a dispute lasts some people are as likely, or even more likely, to get better *as they would under treatment,* or at least get no worse.

Nor is this possibility entirely fanciful, as the back pain study *showed. The helping professions* generally are very slowly coming round to the realisation that many illnesses refuse in the end to be "*managed*" by big guns medical treatment, and are probably induced in the first place by the patient's state of mind and general physical condition.

Accordingly, if the patient's attitude changes, the illness might abate more readily.

The failure of orthodox medicine, despite its spectacular successes in some fields, to get to the root of a variety of miser*able and very widespread* chronic conditions, among them back trouble and arthritis, lends credence to this view. And, as the journalist and writer Brian Inglis declares at every opportunity, the limited relief offered by conventional means has persuaded many people to try alternative therapies such as chiropractice (spine manipulation) and healing.

But for hospital patients—at least those who manage to be admitted—there is another group that is important to the course of an illness, according to another study—the nurses.

The study, published in Nursing Times three years ago, dealt in part with the proposition that patients can get better quicker under some nurses' care than others because physiological change can be induced consciously or unconsciously during normal nursing care. A trial with 32 New York nurses "taught to use the therapeutic touch" produced "a significant change in haemoglobin value" in their patients compared to a *control group.*

Could this be what the physiotherapists were really doing, placebo or for real?

The work with the nurses is certainly worth comparing with one of the back pain report's conclusions: "This study indicates the high rate of spontaneous resolution of low back pain. A course of mobilisation may hasten improvement but does not affect the long-term prognosis." A point to ponder when your physiotherapist falls on top of you.

Homestead protection

With the weakening of the dollar, American farmland has *become a prime investment for* overseas buyers. Although no authoritative figures exist on the extent of the purchases, the spectre of *land-hungry aliens* gobbling up rich croplands has caused unrest on Capitol Hill.

Last week Indiana Senator Birch Bayh introduced a Bill which would prohibit the acquisition or control of farmland by both large American businesses and foreign corporations, governments and non-resident aliens. The proposals were designed, says the senator, "to stop the assault on the family farm from huge corporate enterprises and rich foreign investors."

A report last year, admittedly inconclusive, by the Agriculture Stabilisation and Conservation Service and State Extension Services, identified foreign purchases of 826,543 acres of cropland between January 1, 1977, and June 30, 1978. This total amounted to 2.25 per cent of all farmland sales during that period—a figure which falls into greater insignificance next to the fact that only 2-3 per cent of the 1bn acres of U.S. farmland is up for sale in any given year.

Many farmers are concerned that foreign investors are driving up the cost of land, which jumped 109 per cent from 1972 to 1977. However, the cost of farm acreage has been rising steadily over several decades.

The Senate Agricultural Committee says that the "internationalisation" of U.S. land sales had "strengthened prices" but pointed out, "it is easy to misrepresent land values when machinery, livestock and permanent improvements . . . are part of "the farm transaction price."

The report found U.S. farmland selling 50 to 100 per cent cheaper than comparable high quality land in Europe. *American tax laws, lack of rent* controls and political stability were found to enhance the desirability of land for foreign purchasers. The report estimated the value of foreign purchases of farmland at about $800m to $1bn for 1977.

To calm the outcry against foreign purchase, Congress last year passed the Agriculture Foreign Investment Disclosure Act to require foreign owners to file reports on their holdings with the Secretary of Agriculture. Since these filings are not due until August, it is unlikely that Congress will act, if it does at all, before an evaluation of those reports is made public.

Shetland sea change

For more than 500 years the islands formed part of the Norse earldom of Orkney and Shetland. It was only in 1469 that Shetland became officially Scottish when a Danish king short of money for his daughter's dowry was forced to mortgage Orkney and Shetland to Scotland as part of the marriage settlement.

There are a growing number of Shetlanders who favour closer ties with Scandinavia, many looking in the direction of the autonomous Faroese and their 200-mile fishing limit with undisguised envy. In 1948 the Faroese achieved self-governing status within Denmark which puts them 30 years down the road of devolution upon which the Scots and Welsh might or might not embark.

Shetlanders have little love for the Common Market and voted No in the EEC referendum but the Faroese, also opposed to membership, were given their way and did not enter the Community. Shetland remains reluctant to become politicised but is now in the midst of a campaign for constitutional change.

While Shetland nationalism might be too strong a phrase there is without doubt a rapidly growing awareness that if Shetlanders do not take responsibility for their own affairs the outside world will go on exploiting or neglecting them. It is this mood which has recently produced the Shetland Movement and its campaign for full autonomy.

Mr. Jo Grimond, the Liberal MP for Orkney and Shetland, has astutely associated himself with the movement—as have the Conservative, Labour and Scottish Nationalist candidates. Supporters of the Movement believe that with neither the British Government nor the EEC particularly sympathetic, the only people who can help Shetland are the Shetlanders themselves.

Shetlanders are basically apathetic about Scottish devolution. It was only after much cajoling by Scottish Secretary, Mr. Bruce Millan, that Shetland Islands Council agreed not to opt out into a no man's land situation.

For many Shetlanders an assembly in Edinburgh is a "tartan monstrosity." They argue, with some justification, that the Scots grabbed their land, snuffed out their language, burnt their book of "Udal" law and abolished their ancient Parliament, the Alting.

Twelve months ago Mr. Grimond cleverly steered into the Scotland Bill what became known as "Jo's amendment." The amendment gave both Orkney and Shetland the right to exclude themselves from the Devolution Bill if a majority of the islanders voted against devolution in the referendum. A commission would then be set up—provided the islands' electors voted No in the *referendum. A local referendum* gave massive support for the Grimond amendment.

The Council, however, by two votes, accepted Mr. Millan's devolution deal with Mr. Grimond agreeing to drop his amendment. The Government, also in answer to demands from the all-powerful Council, agreed to new clauses in the Bill giving the Scottish Secretary powers to override a Scottish Assembly if it endangered the special interests of the islands or the status of the Council.

True to Shetland tradition, the Islands Council is, on the face of it, non-political and decisions are not made on a party-political basis. In last year's elections, however, the Shetland Movement captured a sprinkling of seats and a Scottish Nationalist also successfully entered the fray.

Mr. Grimond has been MP for Orkney and Shetland since 1950 and at the last General Election his majority was over 6,800. It is not so much the Liberal Party that has held the seat as the man. Jo Grimond has become something of an institution in both island communities.

Contributors:
Roy Hodson,
Michael Strutt and
Leslie Able

Economic Diary

TODAY — Mrs. Margaret Thatcher, Leader of the Opposi*tion, addresses Young Conservatives'* Conference, Winter Gardens, Bournemouth.

MONDAY—Senior stewards of BL expected *to* meet in Coventry to discuss divided reaction by workers to strike call. Prime Minister speaks at *launch of Labour Party pro-*Scottish Assembly campaign rally, McClelland Galleries, Glasgow. European Central Bankers begin two-day meeting in Basle. January provisional figures for retail sales. EEC Agriculture Ministers open two-day meeting in Brussels. European Parliament session begins, Luxembourg. Confederation of Shipbuilding and Engineering Unions executive submits pay claim to employers. Statement by Mr. William Rodgers, Transport Secretary, on broadcasting traffic information. Turnover of catering trades (4th quarter).

TUESDAY — House of Commons debates state of British *industry. Confederation of* British Industry announces plan to reform pay bargaining system. Index of industrial production (December — provisional). Building societies' receipts and loans (January). Railway Staff Council National Tribunal hearing begins on drivers' bonus claim.

WEDNESDAY — Special meeting of Trades Union Congress general council, Congress House, London. Balance of payments current account and overseas trade figures (January). Financial Times two-day conference on Finance and Trade in 1980s, opens in Frankfurt — speakers include Mr. Gordon Richardson, Governor, Bank of England, and guest speaker at dinner is Herr Helmut Schmidt, West German Chancellor. Mr. Gordon Richardson addresses Institute of Bankers dinner, Birmingham. Basic rates of wages and normal *weekly hours (January).* Monthly index of average earnings (December).

THURSDAY — Mr. Moss Evans general secretary, TGWU, is guest speaker at American Chamber of Commerce luncheon, Savoy Hotel, London. UK banks' assets and liabilities and the money stock (mid-January). London dollar and sterling certificates of deposit (mid-January). Finished steel consumption and stock changes (3rd quarter final and 4th quarter provisional). Consumers' expenditure (4th quarter—2nd preliminary estimate). Building societies' mortgage survey, 5 per cent sample survey results (4th quarter). Cyclical indicators for the UK economy (January).

FRIDAY — Retail prices index (January). Usable steel production (January).

Depressed demand leaves Alcan (UK) down £13m

INSUFFICIENT sales throughout most of last year and a delayed recovery in demand are blamed for the slump from £24.7m to £11m pre-tax profits at Alcan Aluminium (U.K.) for 1978.

The year's profit downturn follows the first-half cut from £14.7m to £5.1m. The directors said then that a low demand combined with intense price competition resulted in heavy pressure on margins. Demand was expected to increase with a consequential improvement in second-half profits.

However, shareholders are receiving the promised total dividend of 9.9p (same)—the final is an unchanged 6.6p. Earnings per £1 share are shown at 18.3p against 56.9p.

Sales in 1978 improved slightly from £266.9m to £269.7m. Profit attributable to ordinary holders was £8.1m against £19.4m.

The directors explain that the *devaluation of the U.S. dollar* also had an adverse effect on the primary industry and resulted in inadequate realisations and earnings. Unacceptable levels of productivity and equipment failures resulted in lower production.

In 1978, a major capital investment programme was started, aimed at modernising the semi-fabricating operations. Capital expenditure, though planned at £16.8m, was less and expenditure above that level can be expected in 1979 and 1980.

During the year, exceptionally heavy maintenance and repair costs were incurred at the Lynemouth smelter, mainly due to defective plant and equipment, but this was alleviated by the settlement of a claim against certain contractors reached in principle in December 1978, amounting to £2m.

The directors anticipate completion of the legal documentation relating to this settlement before the end of February.

Alcan Aluminium (UK) came to the market last June following conversion by British holders of most of the 9 per cent convertible *loan stock*. The parent company is Alcan Aluminium of Canada.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Hawthorn, Leslie	1	—	—	—	—
Estates Prop. Inv. ...int.	1.5	April 4	1	—	2.36
Glasgow Stockholders	1.85	March 17	1.55	2.85	2.5
Alcan (UK)	6.6	—	—	9.9‡	—
Brit. Amer. Tst.	1.13	Apr. 19	1	1.85	1.65
Debenture Corp.	1.95	Apr. 3	1.65*	2.75	2.4*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Maintains previous year's total as forecast in June, 1978

Braid plans to widen franchises

STEPS ARE being taken to widen by acquisition the franchises held by Braid Group, says Mr. Denby *Bamford, the chairman.*

In his annual statement he points out that about 80 per cent of their business is dependent upon Vauxhall. He adds that this is much too high a proportion to be contemplated indefinitely in the corporate strategy.

Mr. Bamford says they must plan the growth of the business so that while maintaining or expanding the Vauxhall connection they can reduce the dependence on any one manufacturer.

On prospects he states that the group is in a stronger position than perhaps at any time in the past two decades. The major part of the immediate internal development has been carried out, and the two Yorkshire acquisitions will make their contribution.

Mr. Bamford adds that he is reasonably optimistic about the short-term performance, and utterly confident of their long-term success.

In the year to September 30, 1978 pre-tax profits were down slightly from the record £907,000 to £871,000 on turnover ahead from £25.65m to £30.88m. Net current assets are shown up from £2.8m to £3.4m.

Meeting Liverpool March 1 at 12.15 pm.

EPIC makes first-half headway

FOR THE six months to October 31, 1978, Estates Property Investment Company reports an advance in pre-tax profits from £542,000 to £685,000. Tax for the period took £208,000 compared with £196,000.

The net interim dividend is stepped up from 1p to 1.5p and the directors forecast a final payment of at least the same amount as that now recommended. Last year's total payment was 2.359p from profits of £1.14m.

After deducting interest of £132,000 (£179,000), relating to the Belgian development, the attributable balance for the first half emerges at £347,000 (£167,000).

The directors state that owing to further unforeseen delays in the Belgian official administrative processes, receipt of the final document necessary for the completion of the Brussels deal is still awaited, but is expected from day to day.

Equity & Law on retirement and taxation

The Equity and Law Life Assurance Society has issued two leaflets for businessmen *designed to assist in making* provision for retirement and in Capital Transfer Tax planning.

The first leaflet explains that tax and time are the two major factors underlying any arrangements for retirement provision. The use of tax allowances is generally well known, but what is not appreciated is that it is important to start early in building up adequate funds. Even large contributions over a short period can prove inadequate. And the leaflet provides some case studies to illustrate this feature.

The second leaflet on CTT planning points out that it is a tax that cannot be avoided. It needs careful planning by the businessman, particularly the small businessman, to ensure that in the event of his decease, there are sufficient liquid assets in the estate to meet the tax bill and keep the business for future generations.

These two leaflets complete the company's range of literature showing businessmen, particularly small businessmen, on the various financial problems likely to arise from their business activities and the solutions available. The range now covers five subjects—the others being business assurance, key man assurance and Partners life assurance.

Debenture Corp. rises to £2.2m

INCOME of The Debenture Corporation rose from £1.98m to £2.24m in the year to December 31, 1978. The available revenue is ahead from £1.07m to £1.23m.

On net assets of £37.75m, against £35.66m the net asset value per 25p share comes out at 88.6p, compared to an equivalent 83.4p.

The available revenue was struck after expenses of £107,654 (£91,411), interest of £125,322 (£125,052) and tax of £772,958 (£693,918).

The final dividend is raised from an equivalent 1.65p to 1.95p net, lifting the total from an adjusted 2.4p to 2.75p. Stated earnings per share, again adjusted for scrip, are up from 2.67p to 3.07p.

The dividend absorbs £1.1m, compared with £960,000.

Agricultural Fund exceeds £20m

Property Growth Assurance, the linked-life subsidiary of Phoenix Assurance, reports that its Agricultural Fund now exceeds £20m and has 9,000 investors. The managers report that the fund now owns 45 farms *totalling 15,757 acres making it* one of the largest landowners in Britain.

The fund, which was launched in 1970, enables the investing public to participate in investment in farmland, through the Agricultural Property Bonds. These have topped the performance tables in property bonds for the past three years with rises of 16 per cent in 1976, 22 per cent in 1977 and 19 per cent in 1978. This consistent rise reflects not only the steady increase in farm prices, but the improvement made in the properties resulting in higher rents and values.

The fund's latest acquisition of 552 acres includes the former Lewes Race Course, a tenanted farm and over 200 acres of vacant possession land acquired for £297,000. The managers retain the services of expert consultants to advise on management, conservation and environmental aspects of its holdings. This will apply to Lewes, which was *one of the oldest racecourses* in the country until it ceased operations in the early 1960s.

Glasgow Stockholders advances

Pre-tax profits of Glasgow Stockholders Trust finished 1978 ahead from £501,022 to £573,716. Tax for the period took £209,879 against £187,185.

The net final dividend is 1.85p, raising the total payment from 2.4p to 2.85p.

At December 31 the net asset *value per 25p share was 134.5p* (128.6p).

Profits slump at Reed Stenhouse

TAXABLE profits of Reed Stenhouse, a subsidiary of Stenhouse Holdings, slumped from £1.87m to £661,000 in the quarter to December 31 1978. But the Board says these figures are not necessarily indicative of the annual result.

Tax takes £466,000 (£996,000). State earnings per share are down from 5.65p to 0.68p.

Freddie Mansfield

Mr. Rex Chester, chairman of the Donald Macpherson group, on the retail filling floor at the company's main production site in Bury. The group is the sole supplier to Woolworths of Cover Plus paint, which has 14 per cent of the retail market. The group is due to announce its interim results on Tuesday.

Hawthorn Leslie's turnround to £0.25m

A TURNROUND from a £77,779 loss to a pre-tax profit of £248,055 in the year to June 30, 1978 is reported by R. and W. Hawthorn, *Leslie and Co. There is a dividend* of 1p net per 50p share—the first since the final of 1.5p for 1974-75, and stated earnings per share are 7.5p, against a loss of 4.24p.

The pre-tax figure was struck after crediting provision for vesting subsidiaries of £150,000 (£308,885), amounts written off investments, £153,889 last time, *subsidiary losses of* £66,608 (£144,893) and a minority credit of £32,638 (nil).

Tax takes £24,538, against £14,126.

The Board says the total compensation receivable for the vesting subsidiaries has not yet been agreed with the Department of Industry.

Credit has been taken in the accounts for the amount of compensation received by way of payment on account up to yesterday which totals £350,000. No credit has been taken in the *accounts for further substantial* compensation expected.

● comment

Five years ago shareholders of Hawthorn, Leslie *would never* have dreamt that profits one day might consist entirely of government stock and interest on short term deposits. That, however, is the picture which emerges from the latest results which were delayed once again, apparently in the hope that further compensation payments could be agreed. Such an outcome will nonetheless be more than welcome after three years of losses and two without a dividend. Profits of course, are significantly boosted by last year's second interim payment on account which in practice, is an exceptional item. The balance is *investment income on the £1.9m* liquid funds which have built up over the year as British Shipbuilders has repaid short term borrowings. Servodyne meanwhile, is now the only trading activity though BP, as partner in the joint venture, incurs almost half the losses. Pipped at the post with Anglo Swiss, Leslie is still looking for companies in the engineering sector while further wrangles over compensation will no doubt be the group's other main preoccupation. At 70p the shares are on a p/e of about *nine while the yield of 2 per* cent is not so generously covered if the £150,000 compensation payment is stripped out.

C. T. Bowring in joint venture

C. T. Bowring and Hughes and Albert E. Sharp and Co. are forming a joint company, Bowring Sharp, to provide integrated tax and investment advice for their clients.

Stock Exchange investments, insurance contracts or more sophisticated schemes will be used to meet individual needs. The field covered will include personal tax, capital gains and capital transfer taxes, pensions and the design of tax-efficient portfolios to increase clients' net spendable income.

C. T. Bowring and Hughes is the Birmingham subsidiary of C. T. Bowring and Co., the insurance broker.

MINING NEWS

Record earnings at Engelhard

BY PAUL CHEESERIGHT

HIGH DEMAND for industrial raw materials *and* the gathering boom in precious metals during the last quarter of 1978 helped Engelhard Minerals and Chemicals to record earnings for both the last three months of the year and for the year as a whole.

The group, based in New York, is linked to Anglo American Corporation of South Africa through Minorco of Bermuda. Minorco holds 29 per cent of Engelhard.

Fourth quarter earnings were $49.9m (£24.8m), compared with $29.7m in the 1977 final quarter, while net income for the whole of 1978 was $142.2m (£70.9m), or 16 per cent more than the $122.6m made in 1977. The 1978 outcome was 14 per cent better than the previous record year of 1976.

Engelhard's business is split into three sections. The first, based on Philipp Brothers, is international metal marketing and the contribution from these activities was at a peak level in the final quarter.

The second line of business is the fabricating and processing of precious metals, which would have gained the benefits of a rising market in the closing part of the year. Results from this division during the final quarter were higher than for the comparable period in 1977.

Non-metallic mineral operations, the third section of Engelhard's business, also had a better final quarter than in 1977. The group's search for expansion in this sector has led it to take an option on the Gabbin kaolin deposit in Western Australia, where an investment decision is expected next year.

SENTRUST HOLDS PROFITS STEADY

Sentrust, the investment company controlled by General Mining, the South African finance house, had a net surplus in the six months to December of R4.88m (£2.75m), against R4.81m in the same period of 1977. The interim dividend is 14 cents (7.95p), compared with 12 cents at this time last year and a total for 1977-78 of 30 cents.

The figures, anounced yester*day, are in line with the* predictions made in the last annual report, which predicted a modest improvement during the current financial year.

The outline of Sentrust's share portfolio shows a selective switching of gold mining issues, a movement into coal stocks and the divestiture of some diamond and asbestos holdings. Interest in financial, commercial and industrial stocks has continued to grow.

The market valuation of Sentrust's listed investments at *the end of last* December was R76.5m (£43.4m), compared with R56.8m at the end of December 1977. Yesterday the shares were 5p lower at 212p.

Caledonian highly critical of LMI bid methods

BY ARNOLD KRANSDORFF

Caledonian Holdings yesterday attacked London and Midland Industrials for launching an £8.4m takeover bid just 24 hours after Caledonian had come to the market as a public company.

In a stiffly-worded rejection document, the directors of Caledonian criticise the method and timing of LMI's bid. They say that LMI is trying to gain quick control of the company on the cheap and before the market has the opportunity to assess its correct value.

They say that LMI, having purchased 20 per cent of Caledonian at the offer for sale stage by making multiple applications in nominee names, made no attempt to have advance consultations about its intentions or the commercial consequences of its proposals.

"It is unlikely that they (LMI) would have adopted this type of approach if they had intended to pay a fair price for Caledonian," they say.

The Caledonian directors confirm that they have received other approaches since the LMI bid and that these indicate "that the true value of Caledonian is in excess of the bid value."

They reveal that Caledonian's first quarter profits jumped by 45 per cent to just under £1m and that they plan to pay dividends of 10.6p gross for the year ending September 30, 1979—a 53 per cent improvement on the forecast made at the time of the offer for sale last month.

The increase is described as "an appropriate step which protects the value of shareholders' *interests* in the company in the face of a cheap bid."

Referring to the profits rise, the directors say that it should not be taken as being indicative of the year as a whole. The increase was largely attributable to the home improvement division but in January sales were adversely affected by the extreme weather conditions; also the *kitchen unit factory* was forced to close because of the road haulage dispute.

However, they are confident of satisfactory results for the year.

Meanwhile, Comet Radiovision Services, which earlier this week announced that it had acquired a 9 per cent share in Caledonian, disclosed *that it has increased* its stake to just over 15 per cent. This compares with LMI's total holding of just under 30 per cent.

Apart from its DIY business, *Caledonian* has interests in jewellery, engineering and ladies' hosiery. Its original owner, Stenhouse Holdings, received £5.94m through the flotation.

Last night Caledonian's shares closed 5p higher at 105p, valuing the company at £10.5m. LMI's share price was unchanged at 100p.

UNION DISCOUNT SELLS MONEY BROKING ARM

Union Discount has agreed to sell its money broking subsidiary, Udisco Brokers, to the Frizzell Group which will continue the business at present conducted by Udisco in London.

The Frizzell Group has undertaken to change the name of the company within six months so that it will retain no association with Union. This sale has no significant effect upon either the assets or the earnings of Union.

Mr. Richard Petherbridge, senior managing director of Union said: "The Board had for some time been considering the *future strategy* and outlook for their subsidiary. The main activity of Union is and must continue to be. that of principals in the money market.

CATTLE'S £1.3M EXPANSION

Cattle's (Holdings), the consumer finance and retailing group, is buying The Premier *Clothing and* Supply Company in a deal worth £1.32m.

Cattle's is making its offer through the issue of 3,299,983 shares, and the balance of the consideration will be settled in cash. Cattle's shares closed at 35p yesterday, down ½p.

For the 13 months to January 31, 1978 Premier's audited accounts showed a taxable profit of £16,000, but if adjusted to comply with Cattle's accounting policies there is a notional pre-tax loss of £18,000.

Premier operatese from over 40 branch offices in south Wales and nearby areas in the provision of consumer financial services, retailing, general wholesaling and insurance broking.

Net assets of Premier at January 31, 1978 totalled £1.305m.

DOWNIEBRAE PULLING OUT OF INGOT MAKING

Metal merchant and ingot manufacturer Downiebrae Holdings is ceasing ingot manufacturing because of the poor performance of that activity over the last ten years.

With the capital released from the termination of ingot manufacturing the group is planning to reduce borrowings by a substantial amount, and expand the engineering division.

It has bought J. and R. Whitehead of Oldham for £210,000 cash.

Whitehead's pre-tax profit for the year ending November 1978 was £61,793. Net assets were £204,900.

Downiebrae is pressing ahead with plans prepared by Whitehead to double the present factory area which is not large enough to cope with Whitehead's possible output.

In its last year ending December 31, 1978, Downiebrae's taxable profits were £430,246, compared with £340,000.

HILLARDS

Hillards announces that the Prudential Group now holds 315,000 Ordinary shares or 5.14 per cent of the capital.

The company's prospective dividend yield of 3.7 per cent is around 1.5 points behind the average for the food retailing sector, not nearly six points as stated in Thursday's comment adjoining the interim results.

Industrial disputes may affect Armitage/Johnson forecasts

SHAREHOLDERS of Armitage Shanks and H and R Johnson-Richards Tiles—which are proposing to merge—were warned yesterday that if the current spate of industrial disputes continued it could affect profit forecasts made at the time of the merger announcement.

In a document sent to both sets of shareholders Johnson-Richards says that in the last three weeks "supply of some raw materials and services and, more importantly, delivery of goods to the home and export markets by the UK group has been severely hampered by industrial disputes outside the group's own workforce."

Johnson-Richards said that in *the current uncertain situation* it was not possible to judge with any certainty the affect that industrial disputes might have an group results for the remainder of the year.

At the time of the merger announcement the group said that it would expect to forecast pre-tax profits of £7m for the year ending March 31, 1979. It has reaffirmed this forecast but says that this has been based on the assumption that "profitability of the group would not be significantly affected by industrial action."

Johnson-Richards says that profits in the first two weeks of January were satisfactory and that pre-tax profits for the nine months to December 31, 1978, had risen to £5.2m.

Armitage Shanks which is forecasting pre-tax profits of £4.5m for the year ending March 31, 1979, says that it still expects to achieve record profits but warns that in the present industrial situation it is impossible to judge what affect disputes will have on trading for the remainder of its financial year.

Under the terms of the merger Johnson-Richards' shareholders will be offered 59½ per cent of the shares of the merged group—Johnson Armitage.

The groups say that a merger will enable the products of both groups to be marketed more effectively world wide. Shareholders are told: "The financial strength and product range of the enlarged group will facilitate marketing in overseas territories which were previously not economically viable.

The merger document says that the possibility of creating closer links between the groups had been considered for several years but any progress had been inhibited principally by the three year Monopolies Commission investigation of the sanitary ware industry.

Johnson Richards has also reaffirmed its statement that the earlier bid approach from Norcros for the tile group was totally unacceptable to the Board. It is still awaiting a *reply from Norcros.*

A pro forma balance sheet shows that the merged group will have combined net tangible assets of £43.8m.

It also reveals that Ceramics Holdings SA of Panama holds a 10.44 per cent stake in Armitage Shanks. London Brick holds a 9.76 per cent stake in Johnson-Richards.

Dalgety in bloodstock venture

Dalgety has reached agreement with Robert J. Goff and Co., one of the largest bloodstock agencies in the world, regarding the formation of a joint company to manage *Dalgety's* Australian bloodstock interests.

The new company will start operating on July 1, 1979 and will be known as Dalgety Goffs. Dalgety's Australian bloodstock operation is under the banner of Coles Bloodstock Agency and the business is principally selling thoroughbred and standard bred horses. Coles conducts regular auctions in Melbourne, Adelaide and Perth and it accounts for about 30 per cent of all Australian bloodstock sales.

Mr. Bill Hartley, one of the executive directors of the new company currently with Goff said yesterday that the problem in Australia was that the standard of the horses is relatively low.

"Part of the solution is to build up the quality of the bloodstock and it is in this area, particularly that we will be supplying expertise," he said.

Mr. Hartley explained that the bloodstock business is highly seasonal and because Australia was in the Southern Hemisphere, Goff would be able to devote considerable time to the business without affecting its own operations.

The move is the second major recent expansion for the County Kildare based bloodstock company. It has acquired a bloodstock operation in France.

For Dalgety, the new company is a means of acquiring the expertise it needs to expand into what its sees as a potential growth area of the Australian rural industry.

ASSOCIATED TOOLING

A further improvement in group liquidity is reported by Mr. A. G. Pratt, chairman of Associated Tooling Industries. Reporting on the completion of the sale of 4, Union Street, *Luton, he says that* the group has bank deposits of more than £295,000.

The Luton sale made a surplus of £65,000 over the book value of £105,000 before deducting legal and selling expenses.

Mr. Pratt adds that the group is actively seeking new acquisitions and is continuing to *explore the alternative* of a return of capital to members.

NORWEST HOLST BUYS MARSHALL-ANDREW

Civil engineer Norwest Holst has purchased Marshall-Andrew (Holdings), a builder and contractor.

The purchase price has not been disclosed, but the move is described by Norwest as a way of increasing its involvement in refurbishment work in London and the south-east, an area where Marshall-Andrew has been long established.

Turnover of Marshall-Andrew is estimated to be £24m. In the last financial year ending March, 1978, Marshall is said to have been breaking even.

It is intended that the Marshall-Andrew companies will retain their identity, and that the management will remain unchanged.

ATV PURCHASE

Associated Communications Corporation, which takes in Associated Television, has acquired the remaining 25 per cent interest in Bermans and Nathans, the theatrical and film costumier, in return for the issue of 91,603 "A" Stock Units in ACC valued at £1.31 each. Bermans now becomes a wholly owned subsidiary of ACC.

SHARE STAKES

Jatel—Camellia Investments has bought a further 1,500 shares. With its subsidiaries it holds 1,245,346 (82.1 per cent).

Trafalgar House—Consequent upon the recent scrip issue, Kuwait Investment Office has an *interest in 14,170,500 shares* (5.91 per cent) and Commercial Union Assurance in 18,879,780 (7.87 per cent).

New Sylhet Tea Holdings — F. C. Willis holds 10,560 shares (5.5 per cent). Keith Barling Investments holds 12,000 (6.29 per cent).

Stock Conversion and Investment Trust: Kuwait Investment Office bought 10,000 shares on January 18 making interest at January 31 1,540,000 shares.

Bisichi Tin: Mr. E. S. Nassar states that following recent purchases, he now holds 336,000 shares, representing 5.128 per cent of the issued capital.

John Foster and Son: Commercial Union Assurance, following the further acquisitions of 25,000 shares on January 25 and 25,000 shares on February 2 holds 624,697 shares (8.65 per cent).

Magnolia Group Holdings: Bank of Scotland West End London Nominees has sold 107,000 shares.

Muirhead: Sir Raymond Brown, chairman, has bought 5,000 shares at 223p, 30,000 at 225p and 5,000 at 229p. Total holding 495,000 shares (5.9 per cent).

Chaddesley Investments: Mr. R. R. Spinney, director, has sold 30,000 shares at 61½p. Mr. B. J. Cockerell, director, has sold 10,000 shares at 70p.

Haslemere Estates: Following directors have sold shares as follows. Mr. F. E. Cleary 43,381 beneficial and 61,772 non-beneficial. Mr. D. M. Pickford 55,175 beneficial and 26,386 non-beneficial.

General Accident Fire and *Life Assurance* Corporation—Kuwait Investment Office as at January 24 had increased its holding by 40,000 shares to 12,500,000 shares (7.6 per cent).

Guardian Investment Trust Company:—Prudential Assurance Company holds 4,078,854 shares (8.09 per cent.).

Eurotherm International:—Mr. B. Chessell, director, on February 5 sold 30,000 shares.

Midland Industries:—Hengbays has sold 75,000 shares. Mr. E. C. Marsland and Mr. A. Goldsbrough, directors of MI, each *have an interest in* and are directors of Hengbays.

Granada Group: A. Bernstein, director, has sold 20,000 "A" ordinary shares at 129p.

Results due next week

With just over 50 companies reporting, next week's Stock Exchange list is not much longer than the past week's. The main features are full-year results from Lloyds Bank, Nottingham Manufacturing and Birmid Qualcast with an interim announcement from Dalgety.

Lloyds Bank is expected to kick off the banking sector's season on Friday with profits before tax in the £166m-£180m *(£166m) range.* Based on the estimates of seven top analysts average growth of the four clearers in 1978 was around 15 per cent so even at the top end of the range Lloyds will fall well *below this level.* Despite the interest rate trend higher costs and lower margins at home helped to depress first half results, but it was the inter*national side, which made much* of the running in 1977, which provided the biggest disappointment. LBI preliminary figures have already been announced and show only a marginal increase pre-tax. Higher base rates will have helped in the second six months but the corset is likely to have been an inhibiting factor.

Mainly due some easing of textile import problems and an upturn in the demand for carpets, analysts are forecasting an improvement in Nottingham Manufacturing's recent growth rate. After turning in only marginally better profits at halfway, the full-year results, due out on Tuesday, are expected to show a *rise from profits of £13.65m to* around £16.5m pre-tax including investment income. Both the hosiery/knitwear and carpets sides will have benefited from the *upturn in consumer spending* while overseas profits should show some improvement as a result of better trading in South Africa and Canada.

There is a degree of optimism in the City about the prospects of Dalgety. Forecasts of the likely interim figures vary depending on the enthusiasm of analysts *£18m. All see a recovery in* Australia, a further recovery in New Zealand, a downturn in Canada, growth in UK results due to acquisitions and a boost from acquisitions for the United States activities. The variations in the total figures stem from differences in anticipated results from the various regions. But all agree that last year's first-half pre-tax figure of £10m will be well beaten and a new record of something between £30m and £34m (last year £24.4m) is in sight for the full year.

Birmid Qualcast, the *leading* UK foundry products company is due to report full year figures on Wednesday. Although provisions for rationalisation costs regularly feature in the profit and loss account, this year's expenditure has leapt from £1m in 1977 to around £3m and this, together with low sales of castings, causes analysts *to forecast* pretax profits of £5m (£10.5m). At half time rationalisation costs of £1.5m had already been charged and profits were down to £3.8m (£6.4m). However, the consider*able reorganisation* of the group and a recovery in the castings market together with continued capital investment are leading analysts to anticipate an improvement next year to around £7m pre-tax. The board intends to maintain the dividend at 4.4p.

Other results to note are preliminary announcements from Securicor Group and Security Services, and interims from Bernard Sunley and MFI Furniture Centres.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
A.C. Cars	Monday	0.35	0.6	0.175
Adams and Gibbon	Thursday	0.875	3.475	1.75
Alexanders Holdings	Monday	Nil	Nil	Nil
Anglo-American Securities Corpn.	Wednesday	1.0	2.0	1.0
Beaumont Properties	Tuesday	1.165	2.3114	1.1725
Birmid Qualcast	Wednesday	1.35	3.107	1.5
Broadstone Investment Trust	Monday	1.4	3.75	1.55
Crescent Japan Investment Trust	Tuesday	Nil	Nil	Nil
General Consolidated Investment Trust	Tuesday	1.2	2.55	1.3
Glass and Metal Holdings	Wednesday	Nil	3.025	Nil
Howard Machinery	Thursday	1.045	1.188	0.55
Ladies Pride Outerwear	Monday	[illegible]	1.3	0.95
Lebus (Harris)	Monday	Nil	3.27	Nil
Lloyds Bank	Friday	4.15	[illegible]	4.635
Macpherson (Donald)	Tuesday	0.9438	1.89159	1.25
Manchester Ship Canal Company	Monday	6.5	9.201	6.5
Moorside Trust	Wednesday	1.25	3.5	1.5
Nottingham Manufacturing Co	Tuesday	0.912	2.33187	1.0
River and Mercantile Trust	Thursday	3.0	5.125	3.5
River Plate *and General Inv. Trust Co.*	Thursday	1.5	4.75	1.75
Romney Trust	Thursday	0.8	1.85	0.8
Securicor Group	Wednesday	0.2965	[illegible]	0.5
Security Services	Wednesday	0.667	1.3217	1.25
Shires Investment Co.	Tuesday	3.0	5.464	3.0
Thermal Syndicate	Tuesday	3.0	3.7	2.0
Wagon Finance Corporation	Friday	0.625	1.4375	0.625
Wardle (Bernard) and Co.	Thursday	0.5	0.77	0.55
Witter (Thos.) and Co.	Tuesday	0.66	2.48449	0.67
INTERIM DIVIDENDS				
Ariel Industries	Monday	0.837	1.288	
Assam Investments	Wednesday	Nil	7.0	
Dale Electric International	Tuesday	1.228	2.4408	
Dalgety	Tuesday	6.407	6.6322	
Guildhall Property Co.	Thursday	0.6	2.09	
James (John) Group of Companies	Wednesday	1.155	1.591	
Meat Trade Suppliers	Tuesday	3.2	4.02	
MFI Furniture Centres	Tuesday	0.99	1.206	
Nolton	Thursday	0.27	1.73	
Press Tools	Tuesday	0.68	1.0505	
Ramar Textiles	Friday	Nil	0.3018	
Reliance Knitwear Group	Thursday	1.4	1.81	
Webb (Joseph) and Co.	Tuesday	0.10842	0.33892	
INTERIM FIGURES				
Caledonian Trust Co.	Monday			
Electronic Machine Co.	Monday			
Perkin-Elmer	Monday			
Westminster and Country Properties	Monday			
Wintrust	Wednesday			
Witan Investment Co.	Thursday‡			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. ‡ Nine months figures.

APPOINTMENTS

Reckitt & Colman deputy chairman

Mr. M. R. Harris, director of finance and planning of RECKITT & COLMAN, has been appointed deputy chairman. Before joining Reckitt and Colman in April 1977, Mr. Harris was director general of the Panel on Takeovers and Mergers and before that a senior partner in Price Waterhouse and Co.

★

Crompton Parkinson has appointed Mr. G. W. Mellors as market development executive within the Vidor commercial dry batteries division. Mr. H. Armstrong has become managing director of Brook Victor Electric Vehicles. Mr. W. Miller has been made a director of CROMPTON PARKINSON MARKETING from March 1. The companies are members of the HAWKER SIDDELEY group.

★

Mr. J. W. Rodgers has been appointed director in charge of the damping proofing division of RENTOKIL. He was previously marketing director of the pest control division.

★

Mr. J. Maguire has been appointed sales and marketing director of WEBB INTERLININGS, a subsidiary of the Hollas Group. He was formerly a director and company secretary of Kufner UK and Eire.

★

Mr. S. H. M. Bradley, chairman and managing director of H. STODART AND TAYLOR, is leaving that company to pursue his own business interests following the acquisition of his minority shareholding in H. Stodart and Taylor by Gulliver Foods. Mr. M. J. Butten, formerly sales director of Cinzano (UK), has been appointed managing director of H. Stodart and Taylor in succession to Mr. Bradley.

★

Mr. A. J. Monks has been appointed finance director of STAG PLASTICS.

★

Mr. J. G. McIlwain has been appointed financial adviser (external affairs) in the resources and external affairs division of BRITISH GAS. His present responsibilities with British Methane and Methane Services are unchanged. Mr. McIlwain was formerly manager of the British Gas headquarters audit and investigation department.

★

Mr. Eric Kirkham has become director, UK Sales, of CRANE FRUEHAUF and Mr. Tony Palmer has been made marketing services manager.

★

Mr. D. F. Dedman has been appointed financial director of the BARDEN CORPORATION (UK).

★

Mr. Ramon Mortimer has been appointed to the Board of STOTHERT AND PITT and takes up the position of managing director for the newly created general engineering division. He was previously managing director of the iron foundry division of S. Russell and Sons.

Mr. Ramon Mortimer

★

In reporting the appointments to REED ENGINEERING AND DEVELOPMENT SERVICES yesterday, a typographical error inadvertently abbreviated the title of the company to Development Services.

★

Mr. David Ingman, a deputy chairman of ICI Plastics Division, has been appointed a non-executive director of NEGRETTI AND ZAMBRA.

★

Following the purchase of the Paxall Engineering (Holdings) shareholding, the Board of T. W. BARFOOT has been reconstructed: managing director Mr. J. E. Burgess becomes chairman and managing director. Mr. S. L. Heys and Mr. J. T. Storbeck have been appointed technical sales and financial directors respectively and Mr. V. Kennard a director and company secretary. Mr. D. E. Haynes continues as works director. Non-executive directors Lord Thomas of Remenham, Sir Neil Shields, Mr. Bryan S. Reid Jr. (U.S.) and Mr. Richard D. Abelson (U.S.) have retired from the Board.

★

Major General Tony Dyball has been appointed director and secretary of the PRINTERS' CHARITABLE CORPORATION, following the retirement of Mr. Arthur Reynolds from the post of general secretary.

★

Mr. John A. Crabb has been appointed vice chairman of the DICKINSON ROBINSON GROUP.

★

Mr. M. J. Cullen has relinquished his position as chairman of AUSTIN PACKAGING GROUP to take up a senior position with the parent company, UNILEVER in London. Mr. J. B. Case joins the Board of Austin Packaging Group as managing director and chief executive.

★

The Minister for the Arts has appointed Lord Brabourne and Mr. Jeremy Isaacs members of the governing body of the BRITISH FILM INSTITUTE. The following members have retired from the governing body: Mr. James Archibald, Lady Casson, Mr. Roger Graef, Mr. Michael Relph and Sir Stanley Yapp.

★

As a result of the sale to BP Chemicals of its polystyrene/expandable polystyrene interests in the EEC, MONSANTO has made the following changes in its European plastics and resins organisation. Mr. Graham F. Carnell, field sales director for plastics and resins, is promoted to business director for plastics, based in Brussels. As manager, development and technical service, Mr. Joseph Guillon heads the plastics section of the Louvain-la-Neuve technical centre. In the field sales organisation for plastics and resins, Mr. John E. Deakin becomes area sales manager for UK and Eire and Mr. Karl-Heinz Elsner for Germany/Austria.

★

MORGAN GUARANTY TRUST COMPANY OF NEW YORK has made Mr. Richard Carss a vice president of the bank. He is a member of the bank's trust and investment division.

★

Mr. Roy Graveney has been appointed sales director of RAINHAM TIMBER ENGINEERING COMPANY and Mr. Douglas H. Simpson has joined the companies as senior technical representative for the Southern area.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

The bids and deals scene has continued to attract steady attention although actual transactions which emerged last week were comparatively small.

Diversified industrial company Central Manufacturing and Trading has made an agreed 68p cash offer for G. R. Francis, the bathroom, kitchen and heating products concern, valuing the latter at £1.39m. The bid is assured of success because G. R. Francis' Board has already voted its 58 per cent holding to the bid and CMT has acquired a further 12.4 per cent through the market.

Rossminster Holdings, the property investment group, has made a £1 a share cash bid for fibreboard manufacturers Jacksons Bourne End to satisfy Takeover Panel rules, Rossminster having recently increased its stake in Jacksons to a near 58 per cent.

Yarn and fabric manufacturers John Bright has emerged as the bidder for Lancashire cotton yarns group, Ash Spinning. Bright has offered 110p cash per share for the company, and Ash's directors have agreed in respect of their 7.6 per cent combined holding.

In a move to cement its existing close relationship with loss-making U.S. music company United Artists Records, EMI has launched a £1.5m rescue bid. The takeover will secure EMI's access to existing records and expand its repertoire of artists.

After an extensive survey of the automotive replacement parts market, Guest Keen and Nettlefolds, in its first major step into U.S. expansion, has proposed a takeover of Parts Industries Corporation of Memphis, Tennessee. The deal, for an undisclosed sum, has been agreed in principle by Parts Industries' major shareholders and will give GKN a significant presence in the U.S. distribution market.

Timber importer and builders' merchant Montague L. Meyer has acquired the assets of North Wales-based Gwynedd Building Supplies for a consideration of £1m in cash and shares. The Gwynedd depots will be merged with Meyer's timber depot at Pwllheli.

Architectural ironmongers Sheffield Brick has bought agricultural ironmongers Parker Winder and Achurch for £300,000 cash, plus a further £40,000 after Parker's accounts for the period to February 3 are audited. Sheffield's acquisition is the first of significance since Mr. Roger Marsh, the new deputy chairman, acquired a 20 per cent stake in the company.

William Jacks' parent company, William Jacks (Berhad), has received an approach from an unnamed party interested in acquiring the Malaysian company's 50.2 per cent stake in the UK-based overseas trader and motor distributor.

Dealings in the shares of Intereuropean Property were suspended pending the outcome of talks with an unnamed party which may lead to an offer.

In rejecting Sime Darby's £122m offer, Guthrie Corporation has issued in its bid defence a significantly increased dividend and profits forecast and a revaluation of assets estimated at 628p per ordinary share which compares with Sime's offer for the company of 425p per share.

Caledonian Holdings' Board has rejected London and Midland Industrials' £8.4m offer as "wholly inadequate" and, although not intentionally encouraging bids approaches, intends to enter discussions with a number of other parties who have indicated serious interest in the company.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc'tce date
	Prices in pence unless otherwise indicated.					
Alginate	385*	374	309††	21.01	Merck	20/2
Anglo-Swiss¦¦	54†	55	29††	1.40	Armstrong Eq.	—
Ash Spinning	110*	108	108	0.88	John Bright	—
Best & May	82½§§	82	65††	1.55	Crown House	—
Caledonian Hldgs.	86	100	72	8.57	London & Midland Inds.	9/4
Chamberlain Grp.	65*§	62	45	7.97	Brown & Sharpe	—
Dartmouth Invs.	25*	24	19½	3.23	Harsco Corp.	—
Dufay	50*§	43	38	3.90	Camrex	—
English Property	46*	48	36½	43.95	Wereldhave	23/2
G. R. Francis	68*	67	64	1.39	Cent. Manufctrg. & Trading	—
Guthrie	425*	428	345	122.1	Sime Darby	16/2
Jackson Bourne End	100*§	72	76	0.44	Rossminster Holdings	—
Jhnsn. Richards Tiles	131§§	129	109	28.6	Norcros	—
Kean & Scott	10*	27	12	0.04	Mr. Mostyn Levein	—
Moss Engineering	79	79	73	3.64	GEI Intl.	—
Peerage of Birmingham	67½§§	65	54††	2.22	Ferguson Industl. Holdings	12/2
Westinghse. Brake	95†	90	62	40.5	Hwkr. Siddly.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. Date on which scheme is expected to become operative. ** Based on 8/2/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¦¦ Unconditional.

Offers for sale, placings and introductions

Mid Southern Water Company: Offer by tender of £5m 8 per cent redeemable preference stock 1984 at minimum of £98 per cent

Scrip Issues

African Lakes: One for five.
Mining Supplies: One for one.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
African Lakes	July	1,205	(1,247)	101.3	(96.3)	4.4	(3.52)
Dewhurst Dent	July	490	(624)	1.7	(2.6)	0.6	(1.69)
Dewhurst & Ptnr.	Oct.	229	(167)	1.5	(1.0)	0.92	(0.83)
Evode	Sept.	1,340	(1,483)	5.5	(6.2)	1.16	(1.14)
Hallam, Sleigh	Sept.	159	(157)	2.3	(1.9)	1.34	(0.26)
Hill & Smith	Sept.	1,054	(927)	17.0	(15.1)	3.0	(2.19)
Imperial Group	Oct.	131,080	(129,120)	18.5	(18.2)	6.32	(5.68)
Kitchen (R.) Tylr.	Sept.	2,179	(800)	33.5	(10.9)	1.54	(1.0)
McCairns Motors	Sept.	744	(680)	20.8	(18.5)	5.0	(4.0)
Plastic Constns.	Sept.	452	(508)	4.6	(5.0)	2.32	(2.07)
Pratt (F.) Engrg.	Oct.	967	(861)	14.4	(13.7)	5.42†	(4.81)
Scot. Agricultural	Dec.	4,118	(4,877)	26.4	(29.0)	12.5	(12.0)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Amal. Distilled	Sept.	10	(68)	0.25	(0.5)
Benn Brothers	Dec.	370	(417)	0.9	(0.8)
British Land	Sept.	255	(2,020)L	Nil	(Nil)
Clifford & Snell	Sept.	98	(95)	0.34	(0.31)
Crouch Group	Sept.	289	(259)	1.0	(0.91)
Dowty Group	Sept.	14,124	(11,052)	2.5	(2.21)
Elbief	Oct.	151	(121)	0.38	(0.35)
Excalibur (Jwlr.)	Oct.	399	(470)	0.29	(0.26)
Helton Holdings	Oct.	580	(282)	1.3	(0.9)
M. L. Holdings	Sept.	303	(277)	2.0	(1.5)
Hillards	Nov.	1,176	(1,150)	2.0	(1.0)
Jackson (W.)	Oct.	946	(658)	Nil	(Nil)
Kunick	Nov.	44	(7)	0.22	(Nil)
Mining Supplies	Oct.	1,220	(373)	Nil	(Nil)
Ransom (Wm.)	Sept.	258	(233)	1.3	(1.16)
Stirling Knitting	Sept.	204	(197)	0.35	(0.35)
Textured Jersey	Oct.	264	(106)	1.0	(0.5)
Tn. & City Props.	Sept.	7,658L	(10,969)L	Nil	(Nil)
Unitech	Dec.	1,409	(1,125)	1.67	(1.45)
UDT	Dec.	8,500	(9,100)	Nil	(Nil)
Vibroplant	Sept.	1,600	(1,230)	4.42	(3.96)
Walshams	Sept.	291	(248)	3.3	(1.65)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Including special dividend due to change in tax rate. L Loss.

WORLD STOCK MARKETS

Bargain hunting on Wall St.: up 3

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—89¼% (87¼%)
Effective $2.0020 46½% (44¾%)

Further gains were scored in moderate trading on Wall Street yesterday, following bargain hunting after the recent sharp losses on worries about the impact of the Iranian oil cutoff on the U.S. economy.

The Dow Jones Industrial Average gained 3.55 to 822.42, reducing its loss on the week to 12.21, while the NYSE All Common Index, at $54.87, rose 13 cents on the day but was still off 92 cents on the week. Rises led falls by 765 to 590, while the trading volume was 24.35m (23.42m) shares.

Analysts said the steady dollar and a drop in the gold price aided sentiment, as did a fall in the Basic Money stock and a cut in the Prime Rate by Citibank to 11½ per cent from 11¾ per cent. Citibank joined three other major banks at 11½.

Many institutional traders will be out of the Stock Market Monday, a bank holiday in New York, when President Carter holds a news conference.

Analysts said the big rise in the January Producer Price Index was discouraging but widely expected. The Index rose 1.3 per cent, its largest gain since 1974.

McGraw-Hill gained $1¾ to $30¾—a New York State Court ordered the company to show why it should not transmit to its shareholders American Express Company's $40 a share merger proposal.

The American SE Market Value Index moved up 1.34 to 160.08, making a net gain of 0.83 on the week.

Circle K rose $2 to $15½. Tubos de Acero de Mexico finished $1½ higher at $17½.

CANADA — Markets again higher in active trading as surging Oil issues lifted share prices. *The Toronto Composite Index* moved up 10.3 to 1,372.1, with advances in 11 of its 14 component groups.

PARIS—Generally higher with Banks, Motors, Steels and Oils gaining ground. Trading fairly active.

LMT rose Frs. 27 to 1,007 on higher 1978 turnover.

U.S. shares firmer, Germans, Dutch and International Oils steady, Golds sharply lower.

BRUSSELS—Mixed in quiet trading.

Germans and UK little changed, Dutch steady, U.S. and French higher. Gold Mines lower.

AMSTERDAM — Firm on a revival of interest. All Dutch Internationals higher.

Shippings very firm. Nedlloyd gained Fls 4.90 on Union Oil's oil find in which Nedlloyd has 20 per cent stake.

Noordeuropeesche Hout suspended — Swedish firm plans to bid.

State Loans higher.

GERMANY — Mixed with Motors and Engineering generally weaker.

Chemicals generally higher, major Banks slightly weaker.

Public Authority Bonds eased by up to 50 pfennigs and Bundesbank bought Dm 1.3m worth of stock. Mark Foreign Loans lower.

TOKYO—Sharply lower on increased uncertainty over oil supplies and prices. Volume 260m (320m) shares.

Steels, Heavy Electricals and Export-Orientated issues led decline, followed by Textiles, *Constructions, Chemicals* and Pharmaceuticals.

JOHANNESBURG—Gold shares easier in active trading.

Mining Financials declined. Platinums shed up to 10 cents.

Industrials mixed.

AUSTRALIA—Markets fell sharply across the board following Associated Securities' *announcement it was going into* liquidation.

ASL's two major shareholders W. R. Carpenter, off 10 cents at SA1.5, and Ansett, off 13 cents at SA1.35, led the decline despite statements their assets were not *materially affected.*

Golds also dropped heavily on profit-taking. Central Norseman lost SA1.30 to SA19.20.

Coppers also lost ground.

Kathleen gained 30 cents to SA3.30 and its parent, Queens*land Mines 15 cents to SA3.35* on bid rumours. Other Uraniums firmer.

FRIDAY'S ACTIVE STOCKS

Ticor	448,100	31⅛	−⅛
Goodyear Tire	328,300	16⅛	−⅛
Charter Wts	297,500	1⅛	−⅛
Boeing	277,100	69½	−2⅛
Comw. Edison	274,100	26½	—
Occidental Petlm	272,600	19¼	+1⅛
Exxon	203,200	50½	+½
East Gas F.	191,100	18⅜	+1
Marath Mfg.	186,000	37½	−1
Sears Roebuck	177,000	20½	—

Indices

NEW YORK—DOW JONES

	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 2	1978-79 High	1978-79 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	822.42	818.87	818.81	822.85	825.88	834.63	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	85.56	85.47	85.52	85.51	85.87	85.90	90.66 (3/1/78)	84.09 (15/1/79)	—	—
Transport.	207.73	208.71	206.56	208.29	209.55	215.45	261.49 (8/9)	199.31 (9/1/78)	279.88 (7/2/69)	12.25 (8/7/32)
Utilities	105.21	105.26	105.42	105.52	105.86	104.26	110.98 (3/1)	97.75 (20/12)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	24,850	25,420	28,450	25,570	26,490	26,550	—	—	—	—

◆ Day's high 826.49 low 817.06

	Feb. 2	Jan. 26	Jan. 19	Year ago (approx
Ind. div. yield %	5.83	5.66	5.81	5.98

STANDARD AND POORS

	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 2	1978-79 High	1978-79 Low	Since C'mpil't'n High	Since C'mpil't'n Low
‡Indust'ls	108.10	108.81	108.26	108.25	108.26	110.66	118.71 (12/9)	95.52 (6/3)	154.64 (11/1/73)	3.55 (30/6/32)
§Composite	97.87	97.65	97.16	98.05	98.09	99.50	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Jan. 31	Jan. 24	Jan. 17	Year ago (approx).
Ind. div. yield %	4.99	4.96	4.97	5.22
Ind. P/E Ratio	9.05	9.06	9.01	8.69
Long Gov. Bond Yield	8.84	8.91	8.97	8.18

N.Y.S.E. ALL COMMON

Feb. 9	Feb. 8	Feb. 7	Feb. 6	1978-79 High	1978-79 Low
54.87	54.74	54.47	54.99	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Feb. 9	Feb. 8	Feb. 7
Issues Traded	1,821	1,842	1,854
Rises	765	852	312
Falls	590	557	1,184
Unchanged	466	433	358
New Highs	—	—	18
New Lows	—	—	22

MONTREAL	Feb. 9	Feb. 8	Feb. 7	Feb. 6	1978-79 High	1978-79 Low
Industrial	228.73	226.95	225.62	226.15	232.44 (29/1/79)	152.99 [illegible]
Combined	252.86	251.58	250.61	256.63	257.05 (29/1/79)	170.62 [illegible]
TORONTO Composite	1372.1	1361.8	1349.9	1362.1	1392.4 (29/1/79)	998.2 (30/1)
JOHANNESBURG Gold	281.0	286.4	290.7	289.1	298.7 (7/2/79)	188.9 [illegible]
Industrial	287.1	286.1	284.3	284.7	287.1 (9/2/79)	194.3 [illegible]

	Feb. 9	Pre-vious	1978-9 High	1978-9 Low
Australia(*)	563.80	568.46	582.46 (8/2/79)	411.19 (1/3)
Belgium (I)	105.14	104.90	105.36 (7/2/79)	90.46 (23/6)
Denmark**	93.40	—	97.90 (14/6)	82.06 (30/10)
France (††)	75.0	74.4	83.0 (4/10)	47.6 (3/2)
Germany(‡‡)	801.0	800.10	865.3 (19/10)	759.4 (17/8)
Holland (§§)	81.6	81.1	93.1 (11/9)	76.0 (4/4)
Hong Kong (¶¶)	533.06	546.62	707.70 (4/9)	323.4 (13/4)
Italy (II)	72.78	73.00	82.86 (25/9)	56.46 (10/1)
Japan (a)	449.68	453.40	462.97 (31/1/79)	364.04 (4/1)
Singapore(b)	366.22	380.34	414.00 (2/9)	282.0 (9/1)
Spain (d)	98.08	98.36	99.36 (6/2/79)	95.13 (12/1/79)
Sweden (e)	389.12	393.57	406.50 (4/2)	[illegible] (5/1)
Switzerld(f)	314.5	313.1	323.7 (14/2)	[illegible]

Indices and base dates (all base values 100 except NYSE All Common—50, Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials 40 Utilities, 40 Finance and 20 Transport. * Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

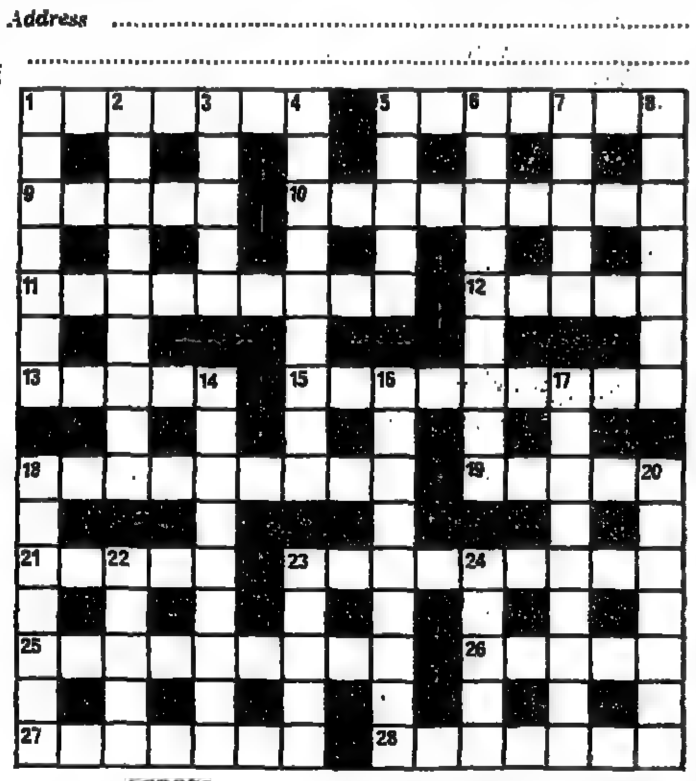
F.T. CROSSWORD PUZZLE No. 3,894

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



ACROSS

1 Applause for grown-up writing (3, 4)
5 Pettifogger given false start by useless notice (4-3)
9 Amusing democratic leader goes on record (5)
10 Half of bitter put in trifles (5, 4)
11 Drunken counsel given material that holds water (5, 4)
12 Beastly pen adopts the French way of writing (5)
13 Result of harping on one string (5)
15 Distressed Scot in the Channel is found nodding (9)
18 Gamble with one friend in particular (9)
19 One entered part of old Ireland to find head-dress (5)
21 Free for instance to return to roof-top (5)
23 Separate influence exercised on a dramatic role (4, 5)
25 Look at Opposition spokesman using make-up (3, 6)
26 English composer in *heavenly state* (5)
27 Girl on railway goes to bird sanctuary (7)
28 Eire NUT *derails train* (7)

DOWN

1 Sleepy supporter sharing confidence with you and me (7)
2 *Fool goes to desert to take* holiday (2, 2, 5)
3 Was sick when a unit went in front (5)
4 Underworld chief takes book for the masses in sack (9)
5 Boy in sixth row (5)
6 Stroll he's disposed to disparage (4, 5)
7 Sorrow about eastern devo*tion* (5)
8 More TNT could bring distress (7)
14 Bird *of just over a pound*... (6, 3)
16 ... might blossom into transport for pilgrims (9)
17 Point to mother country coming out (9)
18 Harsh sound of stones on *mountain church* (7)
20 Professional singer gives painter early start (7)
22 Miserable but expensive outside right (5)
23 Stew made with rice (5)
24 Bounds like a maiden over short distance (5)

Solution to Puzzle No. 3,893

```
CANNIBAL ONEOFF
A U N B  U S O
REARMOST KISSER
E W U O  S E M
SECURELY FARROW
S E E U H N V O
   STEERCLEAR
A F O E A E R K
DUMBBLONDE
T P E N S H E B
UTOPIA EQUIPAGE
S R S  U T L T
TITIAN BACHELOR
E E N  R E D A
RARITY TEARAWAY
```

SOLUTION AND WINNERS OF PUZZLE No. 3,888

Following are the winners of last Saturday's prize puzzle:

Mr. J. Scott Robertson, 16 Woodvale Avenue, Giffnock, Glasgow G46.

Mr. J. J. Sheridan, 36 Ravenswood Park, Northwood, Middx. HA6 3PS.

Mr. A. Spencer, 5 Harwill Crescent, Aspley, Nottingham.

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CUTPRICE SHOWER
A O A A  E A A
VOTETORY CARROT
E S E C O D R T
ROUNDHAND SMALL
N P S D T N I
   ACME SPARTAN
C B R    R Y E
ROUSING LOTH
Y S M I E   L S
QUIRE SAGEGREEN
U N W T H R T A
ICEMAN POLISHUP
T S V  R M A P
SISTER UNDERLAY
```

RACING BY DOMINIC WIGAN

Sparkling prospect for the Schweppes

MORNING LEE, Hipparion, Silversmith, Dunneed's daughter, and Heriot, have been balloted out of to-day's Schweppes Gold Trophy at Newbury, but the race still looks a fascinating prospect, with Major Thompson attempting to concede weight to 29 opponents.

There is no denying that the top weight in a race like this of 12-stone for a five-year-old, *is a formidable task when one* considers that Persian War was carrying 1 lb less at the same age in 1968, a few weeks before he initiated only the third post-war hat trick in the Champion Hurdle.

NEWBURY
2.00—Artifice**
2.40—Accelerate***
3.10—Gaffer*

Major Thompson has done nothing to suggest that he is in the same bracket as Hatton's Grace, Sir Ken and Persian War, and I find it difficult to understand the unabated enthusiasm behind those backers who have brought his odds down day-by-day to 7-1 since betting opened on the race.

Three who seem to offer better value at current odds are Spring Frolic, Golden Vow and Accelerate.

The first-named, one of three Uplands runners in the biggest line-up for the race since Persian War *disposed of 32* opponents 11 years ago, has run only once this season; but it was sufficiently impressive to persuade many people to the Schweppes weights. Coasting into command before the final flight, Leicester's Ivy Hurdle a few days before Christmas, the Silly Season gelding quickly *asserted dominance over runner-*up, Straight Jocelyn to whom he was conceding 8 lb.

Although the second has not had a chance to give a pointer to the form and the third, Flagstaff, subsequently disappointed at both Newton Abbot and Chepstow, Spring Frolic could do no more than win unextended.

The chance of Golden Vow, 6 lb beneath Spring Frolic is difficult to evaluate: but it could just be that he has been let in extremely lightly with 10-stones 8 lb. A net runner-up *to Spanish Armada* on his hurdling debut at Kempton last season, the Good Bond gelding from Gavin Pritchard-Gordon's predominantly Flat orientated stable, then achieved a 30-lengths Windsor success before falling at the final flight when a beaten favourite for the Greenham Group Hurdle 10 months ago.

In his only race this season, Golden Vow ran well for a long way in Ascot's SGB Hire Shop Hurdle in which lack of peak fitness probably prevented *Major Thompson from over*hauling Kybo. The Newmarket 5-year-old, a tired fifth in that event, now meets Major Thompson on 10 lb better terms.

Course and distance winner, Accelerate, is another with just one run behind him this season. At the back of the field until making a forward move, turning *into the straight in the L'Oreal* Hurdle at the last meeting, Nicky Henderson's 5-year-old *could then find no more and* faded to finish in the ruck behind Western Rose.

Although his final placing hardly inspires confidence when this afternoon's task is considered, Accelerate is undoubtedly a far better hurdler on his day than that bare result suggests, and he is the one I will *be pinning my hopes on.*

NEW YORK

Stock	Feb. 9	Feb. 8
[illegible]	[illegible]	[illegible]

CANADA

Stock	Feb. 9	Feb. 8
[illegible]	[illegible]	[illegible]

SPAIN ♥

Feb. 9	Per cent	
[illegible]	[illegible]	[illegible]
Sniace	42	—
Sogefisa	125	—
Telefonica	71	−0.50

BRAZIL

Feb. 9	Price Cruz	+ or —	Cruz Div.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax. [illegible]

GERMANY ♦

Feb. 9	Price DM.	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOKYO ¶

Feb. 9	Prices Yen	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source Nikko Securities, Tokyo

MILAN

Feb. 9	Price Lire	+ or —	Div. Lire	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Feb. 9	Aust. $	+ or —
[illegible]	[illegible]	[illegible]

SWITZERLAND ●

Feb. 9	Price Fr.	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO

Feb. 9	Price Kroner	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Feb. 9	Price Frs.	+ or —	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Feb. 9	Price Fls.	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS/LUXEMBOURG

Feb. 9	Price Frs.	+ or —	Div. Frs. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STOCKHOLM

Feb. 9	Price Kronor	+ or —	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN ★

Feb. 9	Price Kroner	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Feb. 9	Price %	+ or —	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JOHANNESBURG

	Rand	+ or —
[illegible]	[illegible]	[illegible]

Securities Rand U.S.$0.87½
(Discount of 41.59%)

INTERNATIONAL COMPANIES and FINANCE

Reduced profits forecast by Ferodo

By Terry Dodsworth in Paris

FERODO, the French motor components group which has become the main vehicle for reorganising the country's electrical and electronic parts sector, is forecasting a small drop in profits for 1978.

This expected decline is due to sluggish business in its building and non-automotive *industry activities, combined* with the cost of reorganising part of its business.

Group sales, at Fr 4.8bn ($1.1bn), were also depressed last year. They rose by 8 per cent on a strictly comparable basis, meaning that volume went up by 2 per cent, the company said. Taking the results of the new Fraymon affiliate into account, however, turnover went up by 14 per cent.

Overseas growth is continuing strongly. About 22 per cent of sales came last year from direct exports, and the overseas affiliates in Italy, Spain and Brazil pushed up sales to Fr 850m, some 18 per cent of total group turnover.

The group is forecasting a recovery of activity next year, both in the automobile and non-automobile sectors, where the *efforts to reorganise should* begin to pay off, it says. Ferodo calculates that in the automobile field its volume sales growth this year will be in the order of 7 per cent, somewhat higher than the general expansion in vehicle production.

On the basis of this sales recovery, the group is predicting that its turnover will increase to Fr 6bn, a rise of 25 per cent compared with 1978.

Steep half-year slide in Toyota Motor earnings

BY OUR FINANCIAL STAFF

TOYOTA MOTOR Company, the largest vehicle manufacturer in *Japan and the third largest in* the world, suffered a sharp decline in profits in the first half of its financial year as a result of the corrosive impact of the yen's strength on exports and increased labour costs.

Net profits of the company fell by 24 per cent from Y55.75bn to Y42.39bn ($214m), although sales advanced by 7 per cent to Y1.35 trillion (million million). Toyota is paying an unchanged interim dividend of Y6.

Profits are likely to show a slight improvement in the second half, but the overall result for the year to June 30 will still be down on the Y116.3bn net figure of last year.

Analysts had generally been expecting a less severe fall in the first six months' profits of Toyota Motor Company—Toyota Motor Sales, the group's marketing arm had a 5 per cent *lower result in its half-year to* last September—and were expecting recurring profits (roughly equivalent to pre-tax income) to drop from Y100.32bn to about Y85bn instead of the Y78.2bn actually recorded for the December half.

As illustrated by the steady price increases for the company's models in the U.S., its largest foreign market, Toyota *has seen its export effort con*siderably dented by the strength of the yen.

Overall export sales fell by nearly 15 per cent in the first six months to 621,000 units and a further decline to around 600,000 is regarded as likely over the second half.

At home, however, Toyota was able to boost its sales by as much as 27 per cent to 817,000 units, although this level is unlikely to be maintained for the rest of the year, with *domestic competition becoming* more intense as most Japanese carmakers see their export volume decline, a notable exception being Honda.

As the motor companies jostled to offset their export declines on the more buoyant home market, domestic registrations in December showed a rise of over 21 per cent, with Toyota managing a near 20 per cent *increase in its own performance* for the month.

Earlier this year, Mr. Seisi Kato, who is president of Toyota Motor Sales, predicted that Japan's vehicle output could show a decline in 1979 for the first time since 1974. Domestic sales, he added discouragingly, may grow by no more than a mere 2 per cent after last year's 11 per cent, as the replacement boom tapers off.

EOE to start 'put' options from March 1

By Charles Batchelor in Amsterdam

THE EUROPEAN options exchange (EOE) is to introduce "put" options on March 1. Details are due to be released on February 15 of the puts and of a new scale of tariffs. The EOE's members have already been informed of the details.

The EOE originally intended to start trading puts last October but delayed a decision to allow for the introduction of three French call options, on December 14, and for the expiry of a number of options series in January.

Puts confer the right to sell shares at a future date at a fixed price and are the reverse of calls which give the right to buy shares. They are thought to be more likely to appeal to professional investors since the general public is unfamiliar with the concept of investing in a falling share market.

The EOE is introducing puts at a very early stage as it has only been open for 10 months.

Activity on the EOE picked up in the week ended February 8 with turnover increasing to 6,581 contracts compared with 4,394 the week before.

Setback for Swedish electrical group

BY JOHN WALKER IN STOCKHOLM

DESPITE A substantial recovery in the second six months, ASEA, the Swedish heavy electrical company, has emerged from 1978 with profits almost a third lower at the pre-tax level.

Group sales last year rose by just 1 per cent to SKr 9.8bn ($2.27bn) and profits, before tax, dipped to SKr 375m ($87.2m) from SKr 553m. The second half of last year produced profits of SKr 304m, compared to SKr 351m.

Production capacity of most group companies was "insufficiently utilised" during the year. Group orders booked during 1978 increased by 23 per cent, to SKr 9.9bn, the company reports.

On a more optimistic note, ASEA is able to predict an upturn in Swedish industrial production this year. "The substantial decline in capital investment by industry during the past few years will cease and may possibly change into a moderate growth." However, inflation will once again start to accelerate and costs for production at ASEA are expected to rise more rapidly in 1979 *than in 1978.*

As a result the group expects only a limited improvement of profit. The Board recommends an unchanged dividend of SKr 5 per share for 1978.

Scandinavian gas venture

BY FAY GJESTER IN OSLO

THREE SWEDISH and two Norwegian companies have jointly published plans and cost estimates for a floating, gas-fired power plant which could utilise offshore gas deposits that are too small to justify the cost of a pipeline. The companies have asked the Governments of both countries to consider the scheme "at ministerial level."

Backing the scheme are Norway's Aker shipbuilding group and Standard Tefon og Kabelfabrik, a subsidiary of ITT and the Swedish companies Asea, Stal-Laval, and Karlskrona shipyard.

ASL carries on as receivers move in

By James Forth in Sydney

THE FAILED Australian finance company, Associated Securities Limited (ASL) will continue operating for the time being while the receivers make an assessment of the company's position.

The receivers, Mr. G. F. Warhurst and Mr. A. H. E. Kewin, said yesterday that it *was too early to tell whether* creditors would be paid in full. Work had already started on the preparation of a statement of affairs as a matter of urgency. The receivers disclosed that secured creditors, mainly debenture holders, were owed A$198m (U.S.$216m) while unsecured creditors were owed A$53m. The group's shareholders' funds at the last *balance sheet date totalled A$41.725m.*

The collapse caused a stir in the money market, where ASL had raised more than A$30m through commercial bills. About A$20m were accepted by the company's bankers, the Commonwealth Trading Bank and the Bank of New South Wales, while other bills were accepted by merchant banks, much of which *is secured by first*-charge debentures or letters of credit.

Some of the bank-accepted paper is apparently guaranteed by the Royal Bank of Scotland which until late 1976, when it sold out to Ansett Transport Industries, was the major shareholder. The Royal Bank is a major creditor and holds at least A$18.75m in second-charge debentures.

The New South Wales Attorney-General, Mr. Frank Walker, has called for an urgent report on the collapse.

Ansett, which triggered off the receivership with the news that it would no longer support ASL, revealed that it had already made a provision of A$7.7m for diminution in the value of its investment in ASL at December 31. If the entire investment of A$17.7m was written off, Ansett's net tangible asset backing would be reduced by about 20 cents. The Ansett directors said that because of the receivership, it was no longer appropriate to equity account its 48.4 per cent in ASL.

CAB court ruling in favour of airline merger

BY JOHN WYLES IN NEW YORK

THE FIRST merger between two U.S. airlines since 1972 has *been recommended* by a Civil Aeronautics Board law judge in a ruling of great potential significance.

Judge Joseph Saunders is urging the Board to approve a combination between two relatively small regional airlines, Southern Airways and North Central Airlines. This is the first decision on three prospective mergers to be decided by the Board and may improve the prospects of the other two — involving Western and Continental Airlines and bids by Pan American World Airlines, Eastern Airlines and Texas International Airlines to acquire National Airlines.

The Airline Deregulation Act passed by the Congress last November has changed the criteria by which prospective airline mergers must be judged. Before the Act, the prime consideration was an ill-defined notion of the "public interest" whereas now the principal focus must be the impact of the proposed merger on completion.

After conducting hearings in December, Judge Saunders has concluded that the merger of Southern into North Central would not be anti-competitive but would in fact sharpen competition for trunk carriers such as Delta Airlines and United Airlines by creating a stronger single carrier.

This is the nub of the arguments being advanced for the other merger requests and all have some credibility. Administrative law judge hearings on the Pan-Am, Eastern Airlines and Texas International bids for National have just been concluded while separate proceedings on Eastern's application get under way next week.

A final decision by the Board is expected in May but its attitude to the Southern-North Central recommendation will be declared by the end of next month.

Sears has $500m financing plan

BY STEWART FLEMING IN NEW YORK

SEARS ROEBUCK, the largest U.S. department store chain, is working on plans to sell some $500m of short and medium-term notes direct to its customers and the public in order to open up a new source of financing.

The company said that it will be filing an initial application for approval of the proposals with the Securities and Exchange Commission for this amount. Details of how the securities will be sold have yet to be worked out but they would probably be notes of two to 10-year maturity in minimum denominations of $1,000 at varying rates of interest, depending on market conditions.

The proposal is one of the most radical financing innovations in recent years and seems likely to stir up intense controversy and perhaps some concern in both the commercial banking and the securities industry.

Commercial banks and savings banks and institutions may fear that with its millions of customers and without the restrictions on interest rate ceilings to which banks are subject, Sears may tempt deposits away from financial institutions.

The securities industry, used to the fees it commands for floating such issues in the public debt market, will be concerned that Sears may find it is able to raise short and medium-term funds more cheaply than through the markets.

Sears itself however, does not see the proposal as an alternative to other financing vehicles but rather as an attempt to supplement existing sources with a new market for its debt. The closest comparison is with the methods the Federal Reserve uses to sell Treasury securities.

It is not clear how the debt will be marketed, assuming Sears gets SEC approval to proceed but it has some 25m credit card customers who could receive notice of security sales with their bills.

The proposals will be watched closely, particularly by other corporations, such as big store groups which have customer links which might allow them to follow suit.

Sears has been opening up new financing vehicles for itself in recent months through the initial sale of $550m of receivables from its big credit card business to a banking consortium and through a $150m Eurobond issue. Later this year it is expecting to raise *$100m through a yen financing* in Japan.

Standard Chartered and Union Bank may merge

BY OUR FINANCIAL STAFF

OFFICIALS OF BOTH Standard Chartered Bank and Union Bancorp Incorporated of California yesterday expressed hopes that the Federal Reserve Board would approve a $372m agreed merger deal.

Last night, Mr. David Millar, a general manager of Standard Chartered, said that the application was being processed in the normal way: "There is no reason to think that it is proceeding other than normally," he said.

Wall Street speculation about the deal had caused a sharp decline in the Union price on Thursday and at one point it was $5 lower at just over $24. However, the price had recovered by yesterday to about $27½ despite some Wall Street fears that the merger might not receive Fed approval.

COMMODITIES/Review of the week

Metals fall back from peaks

BY OUR COMMODITIES STAFF

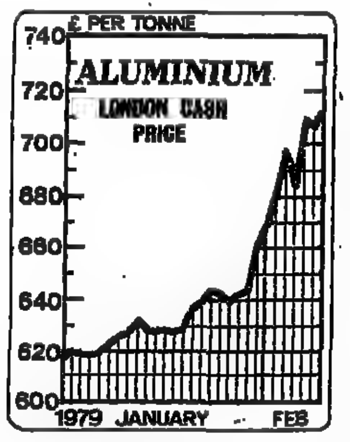
METAL PRICES fell back yesterday, after a week of record prices and considerable excitement. Copper three months wirebars on the London Metal Exchange traded on Monday at over £1,000 a tonne for the first time since June 1974. Subsequently, the market eased in very erratic trading conditions and by last night had fallen back to £968.25 a tonne, £11.25 down on the day but still £11.25 up on the week. Cash wirebars reached a peak of £993 before declining to £950.75.

Asarco, the U.S. producer which raised its domestic copper price to an all-time high of 90 cents a pound earlier in the week last night cut the price to 89 cents reflecting the easier trend.

Nevertheless, sentiment on the market remains bullish. Many traders are forecasting that prices will rise above £1,000 again, and possibly higher, once *the present* burst of profit-taking sales has been absorbed. Warehouse stocks are expected to show another hefty fall when announced on Monday, and there are threats of renewed industrial unrest at the Peruvian mines.

At the same time however, there is considerable nervousness at the higher levels following prices rising so fast and furious.

The surge in copper brought higher prices for other metals too. Free market **aluminium** prices on the Metal Exchange moved to new peaks. A squeeze on supplies available to the market pushed the cash price up



by £31.5 this week to £712 a tonne, establishing a premium over the three months quotation, up by £22.5 to £705.5.

The rise was encouraged by news that two leading producers —Alcan and Kaiser—had raised their world export prices by 3 *cents to 59 cents* a pound. Alcoa warned U.S. customers that it would not be able to meet increased demand requirements raising fears of a shortage developing in the U.S.

Zinc values also moved up strongly on the exchange climbing above £400 for the first time since March 1977. The upward trend was aided by U.S. producers raising their prices by 1 cent to 37.50 cents a pound. Cash zinc, despite losing £6 yesterday, ended the week £16 higher at £394.5.

Inevitably rumours have started that the European producer price may be raised again, since the present level of $760 a tonne is well below the LME and new U.S. price levels.

Tin prices continued to advance in Penang, but the London market was more erratic. A shortage of nearby supplies forced the high-grade cash price up by £140 to £7,310 a tonne, but the three months quotation was £12.5 down on the week at £7,130.

Lead had a disappointing week. The cash price tumbled by £34.5 to £520.5 a tonne from the all-time peak reached last Friday.

Silver and free market **platinum** prices soared to new peaks, following the uptrend in gold and copper. But yesterday values fell back sharply. The silver bullion spot quotation was cut from the record 373.2p an ounce reached on Thursday to 350p. Free market platinum was reduced to £204.75 from a peak of £210.25.

Cocoa was the star performer *in the "soft" commodity* markets. Prices rallied sharply with the May position jumping by over £100 in the last two days to end the week £119 up at £1,844.5 a tonne.

The market finally shook off the bearish sentiment that had previously driven prices down. Although fundamental supply-demand factors appear to point to lower prices, heavy speculative buying came in, based *mainly on chart indications.* The uptrend was accelerated by covering of previous "short" sales, but dealers remain sceptical as to whether the higher levels can be sustained.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978/79 High	1978/79 Low
Wheat					
No. 1 Red Spring	‡	—	£84.25	£95.6	£83.5
Am. Hard Winter (Jan.)	£98.25	+0.25	‡	£92.25	£80.75
Eng. Milling (new crop)	£96	—	£95.5	£105	£89.5
Spices					
Cloves	£3,975	—	£4,500	£5,000	£3,900
Pepper, white	$2,750	—50	$5,225	$3,300	$2,575
Black	$1,825	—	$3,400	$2,450	$1,575
Oils					
Coconut (Philip'es)	$1,005	—5	$570	$1,030	$532.5
Groundnut 5%	‡	—	£609	£1,010	£587
Linseed, Crude	£385	+15	£268	£385	£256
Palm Malayan	$679	+24	$517	$675	$495
Seeds					
Copra (Philippines)	$700	+10	$392.5	$702.5	$372.5
Soyabeans (U.S.)	$298	+8	$240.4	$315	$234
Other Commodities					
Cocoa Shipment	£1,894.5	+161.5	£1,542	£2,204	£1,511
Future 2nd pos	£1,844.5	+119	£1,451.5	£2,215.5	£1,435.5
Coffee Futures May	£1,327	—4	£1,628	£1,952.5	£1,090
Cotton Index	75.15c	—	64c	80.75c	61.85c
Des. Coconut	£700	—40	£660	£750	£605
Jute UA BWC Grade	$512	—	$490	$520	$437
Rubber kilo	60.75p	+1.25	46.5p	64p	45.5p
Sago Pearl	£185	—	£185	£190	£177
Sisal No. 3	$515/20	—	$525/545	$585	$517.5
Sugar (Raw)	£100	+5	£110	£114	£91
Tapioca No. 1	£167	—	£180	£180	£172
Tea (quality) kilo	128p	—8	148p	160p	127p
(plain) kilo	72p	—4	92p	95p	60p
Wooltops 64s Warp	269p kilo	+1	267p kilo	283p kilo	257p kilo

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978/79 High	1978/79 Low
Metals					
Aluminium	£710	—	£660	£710	£680
Free Market c.i.f.	$1,330/50	+45	$965	$1,340	$950
Antimony (99.6%)	£1,925	—	£1,925	£1,925	£1,625
Free Market (99.6%)	$2,650/900	—	$2,175	$2,675	$2,135
Copper					
Cash Wire Bars	£950.75	+6.75	£627.5	£993	£612
3 mths Do. Do.	£968.25	+11.25	£640	£1,000.5	£624.75
Cash Cathodes	£937	+8	£617.25	£979	£602.5
3 month Do.	£954.25	+11.75	£629.25	£988.5	£614.75
Gold per oz	$245	+11.65	$174.875	$250.5	$168.125
Lead Cash §	£520.5	—34.5	£313	£555	£275.2
3 months §	£493.00	—17.75	£312.75	£510.75	£280.25
Nickel	£2320.69	—	‡	£2,320.69	£2,320.69
Free Market c.i.f. lb.	$1.78/92	+0.065	$1.83/2.05	$2.0	$1.66
Platinum per oz	£164.5	—	£160.5	£164.5	£96
Free Market per oz	£204.75	+9.55	£111.75	£210.25	£96.45
Quicksilver (76lbs.)	$205/215	+5	$130/35	$215	$122.5
Silver per oz	350p	+15.9	252.85p	373.2p	250p
3 months per oz	361p	+17.55	258.45p	384.5p	253.9p
Tin cash	£7,170	+15	£6,360	£8,060	£5,690
3 months	£7,100	—15	£5,245	£7,845	£5,717.5
Tungsten Ind.	$134.14	—10.15	—	$146.66	$134.14
Wolfram (22.04 lb.)	$119/24	—1	$154	$172.5	$120.5
Zinc cash	£394.5	+16	£250	£400.75	£236.25
3 months	£408.25	+16.25	£254.5	£415.5	£237.75
Producers	$760	—	$600	$760	$560
Grains					
Barley Home Futures	£89.65	—0.05	£73.2	£90.15	£70.05
Maize French No. 3 Yellow (American)	£109	—0.75	£97.5	£110.5	£89.5

‡ Unquoted. * Nominal. ø Madagascar.

MARKET REPORTS

BASE METALS

COPPER—Lower on the London Metal Exchange, with the market continuing to move erratically. Forward metal opened lower at £970 but quickly moved up to £978 following forecasts of a stocks decrease. In the rings the price fell sharply to £953 on profit-taking. At this level good demand for cash lifted forward metal to around £965. In the afternoon the market mirrored Comex with forward rising to £975 prior to closing on the late kerb at £964. Turnover 21,150 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	948-9	—25½	960-1.5	—15¼
3 months	964-5	—25	968-.5	—11½
Settl'm'nt	949	—28		......
Cathodes				
Cash	937-8	—28.5	936-8	—15¼
3 months	954-5	—22	954-.5	—12½
Settl'm'nt	938	—28.5		......
U.S. Smt.			*80-90	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £946, 47, 43, three months £955, 54, 52, 53, 54, 53.5, 54, 55, 56, 60, 59, 60, 61, 62, 61, 60, 61, 62, 62.5, 63, 64, 65. Cathodes, cash £938. Kerb: Wirebars, three months £966, 67, 68, 67, 66, 66, 65.5, 65. Afternoon: Wirebars, three months £964, 65, 64, 63.5, 64, 65, 64.5, 65, 64, 63.5, 70, 71, 71.5, 70, 69, 68, 69, 69.5. Cathodes, three months £954.5. Kerb: Wirebars, three months £967, 66, 67, 66.5, 67, 66, 65, 64.

TIN—Easier. Forward opened on a steady note at £7,150 owing to the Penang closure. However, the downturn in copper prompted stop-loss selling with forward dipping to £7,050. In the rings good demand for high-grade cash tin encouraged fresh buying of forward standard material which lifted to £7,140. Afternoon trading saw the price trade at about £7,120 before closing on the late kerb at £7,120. Turnover 1,480 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7360-80	—20	7360-360	+30
3 months	7165-70	—27.5	7120-40	—65
Settlem't	7380	—20	—	......
Standard				
Cash	7210-5	—32.5	7160-80	—68
3 months	7130-40	—37.5	7080-110	—85
Settlem't	7215	—25	—	......
Straits E.	‡1910	......	—	......
New York		......		......

Morning: Standard, three months £7,070, 7,120, 25, 40, 30, 35, 40. High Grade, cash £7,360. Kerb: Standard, three months £7,135. Afternoon: Standard, cash £7,180, three months £7,110, 7,100, 05, 15, 10, 7,100. Kerb: Standard, three months £7,100, 10.

LEAD—Lost ground in line with copper. Forward opened about £494 but fell to £483 following the copper downturn. Fresh speculative buying and short-covering saw the market rally to close at £493 on the late kerb. *Turnover 9,625 tonnes.*

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	516-8	—12.5	519-22	—4
3 months	490-1	—9	492.4	—2.5
Sett'ment	518	—12	—	......
U.S. Spot	—		*40.44	......

Morning: Cash £515, 17, three months £485, 83, 85, 86, 87, 86, 85, 86, 87, 88, 91, 92, 93, 92, 91, 90, 89, 90. Kerb: Three months £491, 90.5, 90, 89. Afternoon: Three months £488, 89, 90, 91, 90, 91, 91.5, 92, 93. Kerb: Three months £491, 90, 91.

ZINC—Down but closing above the day's lowest levels, reflecting the fluctuations in copper and lead. Forward traded around £414 on the early pre-market but then eased to around £406 on profit-taking and stop-loss sales. However, a rally in copper prompted short-covering and fresh buying which left the price at £409 on the late kerb. Turnover 9,725 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	395-6	—8.25	394-5	—8
3 months	410.5-1	—8	409-.5	—6.25
S'ment	396	—8	—	......
Prim.west	—		*34.5-8.5	......

Morning: Three months £407, 8, 9, 8.5, 10, 9, 11, 12, 10, 10.5, 11. Kerb: Three months £411, 9. Afternoon: Three months £410, 9, 8. Kerb: Three months £409, 10, 9, 8.

ALUMINIUM—Barely changed on balance. Initially forward metal dipped to £700 owing to the general decline in base-metals. However, this level attracted renewed buying, lifting forward to £708 on the late kerb. Turnover 4,700 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	710-15	+1	711.3	+4
3 months	706-8	+5	706-6	+2.5

Morning: Three months £706, 6, 7, 8, 10, 8, 7, 6. Kerb: Three months £706, 7. Afternoon: Cash £710, 12, three months £707, 6, 5, 6, 7, 6. Kerb: Three months £708, 5, 7, 9.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver fell dramatically yesterday at the fixing to 350.0p, a fall of 23.2p an ounce. U.S. cent equivalents of the fixing were: Spot 700.4c, down 51.1c; three-month 717.0c, down 51.1c; six-month 730.9c, down 51.8c; and 12-month 766.6c, down 60.9c. The metal opened at 357-359p (715-720c) and reached a low of 697-702c before closing at 354½-356½p (710-715c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	350p	—23.2	358.9p	—6.5
3 months	361p	—23.5	370.1p	—7
6 months	370.9p	—23.8	—	......
12 months	383.1p	—25.4	—	......

LME—Turnover 333 (317) lots of 10,000 ozs. Morning: Three months 362, 1.5, 1.8, 62, 2.2, 2.5, 2.8, 63, 3.2, 3.5, 64, 3.8, 3.4, 3.3, 3.4. Kerbs: Three months 363.5, 3.8, 64, 3.8. Afternoon: Three months 367.5, 7.7, 8.5, 9.5, 9.8, 70. Kerbs: Three months 370, 9.5, 9.3, 69, 8.5, 7.5, 7.6, 7.8.

COCOA

Following a quiet morning's trading, the market ran into renewed buying in the late afternoon to close near the recent highs, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	1758.0-50.0	+47.0	1795.0-68.0
May	1844.0-45.0	+41.5	1545.0-65.0
July	1875.3-78.0	—35.5	1872.0-51.0
Sept	1910.0-15.0	+47.0	1915.0-1962
Dec	1951.0-53.0	+47.0	1956.0-01.0
March	1979.0-78.0	+42.6	1980.0-50.0
May	1995.0-2000	+42.5	

Sales: 5,866 (4,400) lots of 10 tonnes. International Cocoa Organisation (U.S. cents per pound): Daily price for Feb. 8: 158.63 (154.06). Indicator price for Feb. 9: 15-day average 156.09 (156.46); 22-day average 159.88 (160.55).

COFFEE

Robustas opened unchanged to slightly lower and as nearby March came under pressure once again buyers remained somewhat reserved reports DBL. The afternoon was disappointing but business picked up and mixed buying sparked a sharp rally in irregular nervous conditions to finish up to £38.5 ahead on the day.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
March	1416-1420	—1.5	1425-1398
May	1326-1328	+11.5	1554-1298
July	1286-1288	+20.5	1300-1250
September	1245-1248	+30.5	1248-1210
November	1205-1210	+31.00	1208-1172
January	1170-1175	+28.5	1180-1140
March	1150-1154	—33.5	1154-1115

Sales: 5,056 (5,042) lots of 5 tonnes. ICO Indicator prices for Feb. 8 (U.S. cents per pound): Colombian Mild Arabicas 145.25 (147.00); unwashed Arabicas 131.00 (same); other Mild Arabicas 122.50 (124.3); Robustas ICA 1976 133.00 (same); Robustas ICA 1968 133.50 (same). Daily average 129.65 (129.81).

GRAINS

LONDON FUTURES (GAFTA)—Old crop barley opened on a firm note and with good commercial buying prices reached 80p up before easing 30p in the afternoon on profit-taking and country selling. Old crop wheat rose 50p in sympathy with barley but trade selling in the afternoon depressed values up to 30p. At the close, old crop barley was 45p-65p up and wheat 10p-20p up. New crops ended the day 10p-20p higher with little trading throughout the day, reports Acli.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
Mar.	93.25	+0.10	88.20	—0.45
May	96.50	+0.20	91.25	—0.65
Sept.	90.05	......	84.05	+0.10
Nov.	93.40	+0.30	87.10	+0.10
Jan.	96.70	+0.45	90.30	+0.15

Business done—Wheat: March 93.25-93.55, May 96.50-96.80, Sept. 90.20, Nov. 93.20-93.30, Jan. 96.70. Sales, 138 lots. Barley: March 88.05-88.50, May 90.95-91.40, Sept. 84.00-84.10, Nov. nil, Jan. nil. Sales, 419 lots.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2, 14 per cent Feb. 95.25, March 93.25, transhipment East Coast. U.S. Hard Winter 13½ per cent Feb.-March 89.25 transhipment East Coast. EEC wheat unquoted. Maize: U.S.-French Feb. 109.00, March 110.00 transhipment East Coast. S. African White second-half Feb., first-half March 73.00 Glasgow. S. African Yellow second-half Feb./first-half March 73.00 Glasgow. Barley: English Feed fob March 92.00, April-June 94.00 East Coast. Sorghum and oats: unquoted.

EEC DAILY IMPORT LEVIES—The following EEC levies and premiums are effective for Feb. 9 in units of account per tonne. In order current levy plus March, April and May premiums (with previous in brackets).

RUBBER

UNCHANGED *opening on the London* physical market. Little interest throughout the day, closing uncertain. Lewis and Peat reported the Malaysian godown price was 250 (248) cents a kilo (buyer, February).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
March	61.70-61.75	62.00-62.20	62.50-61.90
April	62.50-62.25	62.60-62.30	63.52-62.45
Apr-Jne	62.75-62.60	65.10-63.25	63.60-62.50
Jly-Sept	64.45-64.50	65.55-65.15	65.55-64.20
Oct-Dec	66.25-66.30	67.00-67.05	67.00-66.25
Jan-Mar	68.25-68.30	69.30-69.00	69.50-69.30
Apr-Jne	70.20-70.25	70.50-71.00	70.50-70.25
Jly-Sep	72.35-72.40	72.50-73.00	72.50-72.40
Oct-Dec	74.35-74.40	75.05-75.10	74.75-74.40

352 (605) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 60.75p (61.0); March 60.25p (60.0); April 61.25p (61.75).

SOYABEAN MEAL

	Yesterday's Close £ per tonne	+ or —	Business Done
February	135.50-36.0	+2.75	135.50
April	128.90-29.2	—0.10	129.50-27.60
June	130.20-30.5	—0.40	130.40-28.50
August	131.00-31.1	—0.95	130.00-29.30
October	128.50-29.5	—0.10	—
December	124.00-27.0	—0.05	—
February	125.50-28.0	......	—

Sales: 100 (153) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICES (raw sugar): £100.00 (£98.00) a tonne cif for Feb.-March shipment. White sugar daily price was fixed at £101.00 (£99.00).

The market opened around overnight levels but there was no follow-through on the upside and prices drifted somewhat *later, reports C. Czarnikow.*

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	104.35-04.60	105.60-05.70	105.15-04.50
May	108.70-08.75	109.70-09.75	110.35-109.0
Aug	112.65-13.70	112.50-13.00	114.50-13.50
Oct	116.55-16.60	115.65-15.75	117.00-16.00
Dec	119.00-19.10	118.00-15.55	119.50-15.50
March	124.05-24.55	123.55-23.40	124.75-24.00
May	126.50-27.25	126.75-28.40	—

Sales, 2,657 (2,806) lots of 25 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 a tonne for home trade and £169.50 (£167.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for Feb. 8: Daily 7.91 (7.86); 15-day average 7.60 (7.58).

EEC IMPORT LEVIES—The following import levies for white and raw sugar *are effective for Feb. 9 in units of* account per 100 kilos (with previous in brackets). White sugar (denatured and non-denatured) 27.30 (27.67). Raw sugar 22.29 (22.66).

WHITE SUGAR—Close (in order buyer, seller, business, sales)—April 103.75-104.50; 104.75-103.60; 192. July 109.75-10.00; 110.25-109.50; 17. Sept. 114.25-115.00; 115.00-114.50; 40. Nov. 119.45-119.50; 119.50-119.25; 78. Feb. 127.00-127.50; 127.75-127.25; 12. April 131.50-132.00; 132.00-131.50; 17. July 135.50-137.00; nil; nil. Total sales, 356.

COTTON

COTTON—Liverpool Spot and shipment sales amounted to 490 tonnes, bringing the total for the week to 1,715 tonnes, against 1,229 tonnes in the previous week, reports F. W. Tattersall. Fair trading continued with buyers interested in various African and Middle Eastern bales.

HONG KONG—Raw Cotton Futures: Prices lost about 150 points on the week in light trading. Friday's close (cents per pound). July unquoted: 72.00. Week's high-low: March 67.00, May 68.50, July 70.20-69.00. Sales, 18 (2) lots.

WOOL FUTURES

LONDON GREASY—Close (in order buyer, seller). Australian: March 214.00-20.00, May 220.00-25.00, July 220.00-25.00, Oct. 230.00-35.00, Dec. 231.00-240.00, March 234.00-44.00, May 235.00-44.00, July 236.00-47.00. Sales, nil.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller) March 180.00-84.00, May 184.00-87.00, July 184.00-88.00, Oct. 187.00-90.00, Dec. 190.00-94.00, March 191.00-95.00, May 193.00-99.00, July 193.00-99.00. Sales, nil.

SYDNEY GREASY—Close (in order buyer, seller business, sales)—Micron Contract: March 358.5-359.4: 359.0-358.0: 54. May 364.0-364.5: 364.5-364.0: 25. July 372.0-372.5: 372.5-370.5: 45. Oct. 373.0-373.8: 375.0-370.5: 51. Dec. 375.5-376.0: 376.0-371.5: 67. March 379.6-381.0: 380.0-379.0: 22. May 382.0-387.0: 382.0-382.0: 15. June 383.5-384.0: 385.5-379.0: 25. Sales, 307.

MEAT/VEGETABLES

SMITHFIELD—No carcase meat prices quoted.

MEAT COMMISSION—Average fatstock prices at representative markets on Feb. 9. GB—Cattle 71.35p per kg l.w. (—0.45). UK—Sheep 144.0p per kg est. d.c.w. (—5.0); GB—Pigs 59.9p per kg l.w. (—2.4). England and Wales—Cattle numbers up 12.2 per cent, average price 71.45p (—0.42); Sheep up 22.7 per cent, average 145.4p (—3.4); Pig up 15.5 per cent, average 59.9p.

COVENT GARDEN—(Prices in sterling per package except where otherwise stated)—Imported Produce: Lemons—Italian: 120s 4.00-4.50; Cyprus: Trays 3.50-4.00, cartons 80/180s 3.50-6.50. Spania: Trays 20, 40, 45 1.60-1.80.

AMERICAN MARKETS

NEW YORK, Feb. 9.

Cocoa—March 160.50 (155.75), May 161.80 (158.50), July 163.50, Sept. 164.80, Dec. 166.90, March 168.05, May 168.65 settlements. Sales: 1,378.

Coffee—"C" Contract: March 125.50-125.75 (125.55), May 124.25 (123.79), July 124.50, Sept. 124.75-125.00, Dec. 124.75-124.90, March 124.00, May 123.00-123.85, July 118.00-114.50. Sales: 1,270 lots.

Copper—Feb. 84.00 (84.40), March 84.25-84.55 (84.70), April 84.85, May 85.70-86.40, July 85.18, Sept. 85.25, *Dec. 85.00, Jan. 84.80, March 84.50,* May 84.30, July 84.10, Sept 83.90, Dec. 83.60. Sales: 12,000 lots.

Cotton—No. 2: March 64.40-68.00 (62.87), May 66.80-67.00 (65.11), July 68.25-68.45, Oct. 66.75-66.85, Dec. 64.85-65.00, March 65.99-66.00, May 66.09-67.00, July 67.50-68.00. Sales, 8,050.

*Gold—Feb. 244.00-244.40 (242.90), March 245.30 (245.00), April 246.80-247.70, June 251.00-252.00, Aug. 256.00, Oct. 260.50, Dec. 264.00-165.50, Feb. 269.40, April 273.90, June 278.50, Aug. 283.10, Oct. 287.80, Dec. 292.60. Sales: 35,000 lots.

*Platinum — April 410.50-412.50 (413.30), July 410.00-413.50 (414.20), Oct. 412.40-412.80, Jan. 413.30-413.80, April 414.20-414.60, July 415.00-415.40, Oct. 416.00-416.60. Sales: 3,212 lots.

†Silver—Feb. 733.50 (718.00), March 735.00-739.00 (722.50), April 742.50, May 743.00-748.00, July 752.00-756.00, Sept. 761.00-762.00, Dec. 775.00-758.00, Jan. 781.10, March 780.00-789.00, May 798.20, July 806.80, Sept 815.40, Dec. 829.50. Sales 33,500 lots. Handy and Harman spot bullion 718.50 (743.00).

Sugar—No. 11: 8.48-8.49 (8.44), May 8.83-8.84 (8.78), July 9.07-9.08, Sept. 9.26-9.27, Oct. 9.38-9.38, Jan. 9.40-9.70, Mar 10.04-10.05, May 10.22-10.24, July unquoted. Sales: 6,216.

TIN—675.00-720.00 nom. (685.00-725.00 *nom.*).

CHICAGO, Feb. 9.

Lard—Chicago loose 25.00 (24.50). New York prime steam 26.50 traded (26.00 traded).

‡‡Maize—March 237¾-237 (235½), May 247¼-246¾ (245), July 252-252½, Sept. 254½, Dec. 247½-258, March 265¾.

Silver—Feb. 73.50 (71.35), Mar. 73.95 bid (71.85), April 74.45 bid, June 75.30-75.31 bid, Aug. 76.13 bid, Oct. 76.99 bid, Dec. 77.83 bid, Feb. 78.68 bid, April 79.53 bid, June 80.30 bid, Aug. 81.27 bid, Oct. 82.17 bid, Dec. 83.09 bid, Feb. 84.03 bid, April 84.99 bid, June 85.97 bid, Aug. 86.97 bid.

‡Soyabeans—March 754-756 (732¼), May 770-772 (747½), July 779-777, Aug. 771, Sept. 721, Nov. 696-697, Jan. 704½, *March 715-716.*

‖Soyabean Meal—March 197.50-197.20 (193.40), May 201.00-201.50 (196.70), July 204.50-203.50, Aug. 202.00-202.50, Sept. 196.50, Oct. 191.00, Dec. 190.50-191.00, Jan. 191.50-191.00.

Soyabean Oil — March 28.15-28.05 (27.17), May 28.15-28.10 (27.23), July 28.10-28.00, Aug. 27.70-27.65, Sept. 26.50, Oct. 25.55-25.50, Dec. 25.00-25.00, Jan. 24.85, March 24.85.

‡Wheat—March 367½ (361¼), May 347½-347¼ (342½), July 334¼, Sept. 320½, Dec. 336½, March 340½.

WINNIPEG, Feb. 9. §Rye — May 105.00 bid (102.80), July 104.00 (103.50 asked), Oct. 100.90 bid, Dec. 100.90 bid.

§Barley—March 78.40 (77.70 bid), May 79.40 (78.80), July 81.40 bid, Oct. 84.60 asked, Dec. 84.87 bid.

§Oats—March 85.90 bid (85.80), May 83.70 bid (83.20), July 82.70 asked, Oct. 83.00, Dec. 83.40 bid.

§Flaxseed—May 348.00 (343.40 bid), July 342.00 (334.00 bid), Oct. 335.90 asked, Nov. 334.50 asked, Dec. 330.50 asked.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 191.03 (190.00).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. † Cents per troy ounce. ‡‡ Cents per 56-lb bushel. ‡ Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ¶ Cents per dozen.

INDICES

FINANCIAL TIMES

Feb. 9	Feb. 8	M'nth ago	Year ago
269.58	267.72	263.32	227.88

(Base: July 1, 1952=100)

MOODY'S

Feb. 9	Feb. 8	M'nth ago	Year ago
1035.7	1024.5	994.9	910.2

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 9	Feb. 8	Month ago	Year ago
Spot	384.31	379.17	379.96	356.04
F'tur's	383.16	377.05	376.15	353.27

(Average 1924-25-26=100)

REUTERS

Feb. 9	Feb. 8	M'nth ago	Year ago
1551.0	1531.5	1501.6	1408.8

(Base: September 18, 1931=100)

Stock Exchange dealings

Thursday, February 8	5,300
Wednesday, February 7	5,055
Tuesday, February 6	5,568
Monday, February 5	5,086
Friday, February 2	4,835
Thursday, February 1	4,083

The list below records all last Thursday's marking and also the latest markings during the previous four trading days of any share not marked on Thursday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fraction of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian

BRITISH FUNDS (770)

SHORT DATED BONDS FREE OF STAMP DUTY

INT. BANK FREE OF STAMP DUTY

CORPORATIONS (33) FREE OF STAMP DUTY

Kensington and Chelsea (Royal Borough of) 11¼pcStk. (1986-87) 89½ (7/2)
Kent County 9¼pcStk. (1978-80) 93¼ (2/2)
Liverpool (City of) 13pcStk. (1988) 93½ (6/2). 13½pcStk. (1981) 98⅞ (8/2)
Liverpool Corp. 3½pcStk. 24¼. 9¼pcStk. (1980-84) 87¼●
Middlesex County Council 5¼pcStk. (1980) 92½ (5/2)
Newcastle-upon-Tyne Corp. 9¼pcStk. (1978-80) 93¼ (5/2)
Northampton Borough Council Var. Rate Stk. (1983) 98¼ (3/1)
Paisley Corp. 9¼pcStk. (1982-84) 88½ (2/2)
Plymouth Corp. 3¼pcStk. (1972-82) 74½ ½ (5/2)

PUBLIC BOARDS (16) FREE OF STAMP DUTY

COMMONWEALTH GOVTS. (5) REGISTERED AND INSCRIBED STOCKS

COMMONWEALTH CORPS. (1)

FOREIGN STOCKS (2) COUPONS PAYABLE IN LONDON

BANKS (137)

Hill Samuel Group (25p) 80● 79. Warrants 58 65 60. 8pcLn. 820
Hongkong Shanghai Banking Group ($HK2.50) 292● 90 83 4 77 4
Jessel Toynbee (25p) 60 (5/2)
Keyser Ullmann Holdings (25p) 40
Kleinwort Benson (25p) 92
Lloyds Bank 275● 83● 75 8 4 6. 7½pc Ln. 88½ 9.
Lombard North Central 5pcPf. 43 (2/2). 5pcPf 34
Mercury Securities (25p) 122 (7/2)
Midland Bank 352● 48 7 2 9. 10¼pcLn. 77¼. 7½pcLn. 81 (7/2)
Minster Assets (25p) 54 (7/2)
Morgan (J. P.) ($US2.50) 33¼●
National Com. Banking Gp. (25p) 80½● 1● 80 79. 8½pcPf. 38

BREWERIES (165)

COMMERCIAL (2,800)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

British Steam Specialties Gp. (20p) 90 89 (7/2)
British Sugar Cpn. (50p) 133 (7/2)
British Syphon Inds. (20p) 58● 7
British Vending Inds. (10p) 25½●
British Vita (25p) 132● 1 29
Brockhouse (25p) 69●
Brocks Gp. Cos. (10p) 76
Broken Hill Propty. ($A2) 332● 25 35
Bronx Eng'g Holdings (10p) 26 (6/2)
Brook St. Bureau Mayfair (10p) 51
Brooke Bond Liebig (25p) 44● 4 3½. 5¼pcDb. 68. 7¼pcUnsec.Ln. 53½●
Brooke Tool Eng'g (Holdings) (25p) 48
Brotherhood (Peter) (50p) 93
Brown Jackson (20p) 267
Brown Boveri Kent (25p) 46½ ½ (7/2)
Brown Bros. Cpn. (10p) 28¼ 7¾ (6/2)
Brown (John) 385● 60 3
Brownlee Co. (25p) 77●

English China Clays (25p) 85● 4½● 3½● 4½ 5. 7¼pcLn. 55¼ (6/2)
English Electric 5½pcDb. 1979-84 76. 6¼pcDb. 75 (5/2). 7pcDb. 89½ (7/2)
Epicure Hldgs. (5p) 15 (7/2)
Erith (25p) 110 (5/2)
Esperanza Trade. Transport (12½p) 140
European Ferries (25p) 131 30½ 29
Eurotherm Internat. (10p) 245 6 (7/2)
Evered Hldgs. (25p) 25●
Evode Hldgs. (20p) 40 (6/2)
Ewer (George) (10p) 36 4½
Excalibur Jewellery (5p) 16●. 11.5pcPf. 100 (5/2)
Exchange Telegraph (Hldgs.) (25p) 145
Executex Clothes (20p) 48 (2/2)
Expanded Metal (25p) 69½

F.M.C. (25p) 83
F.P.A. Construction Grp. (25p) 10½ (5/2)
Fairbairn Lawson (25p) 62
Fairclough Construction Grp. (25p) 61 59

Tiger Oats Natl. Milling (R1) 620.
Tilbury Contracting Gp. 278 (7/2)
Tilling (Thomas) (20p) 116½ 17½ 16 18½ 17. 5.25pcPf. 58 (2/2)
Time Prods. (10p) 183●
Titaghur Jute Factory 6pcPf. 25 (6/2)
Tomkins (F. H.) (5p) 18½ (6/2)
Tootal (25p) 43½● 2½● 3 2½. 5pcPf. 36¼. 7¼pcDb. 64 (5/2). 7¾pcUnsecd. Ln. 56¼
Toye (25p) 86
Tozer Kemsley Millbourn (Hldgs.) (20p) 46 (7/2)
Trafalgar House (20p) 77● 5½ 4 5. 4½. New (20p) 75½● 5½● 5 4. 7¼pcPf. 52 (5/2). 7pcUnsecd.Db. 45½ (7/2) 8pcUnsecd.Ln. 59¾ (5/2). 9½pcUnsecd. Ln. 67½ (7/2)
Transparent Paper (25p) 63½

GAS (12)

INSURANCE (222)

Sedgwick Forbes Hldgs. (10p) 305● 5 2
Standard Life Assur. 5pc 34½
Stenhouse Hldgs. (25p) 89 7 (7/2)
Sun Alliance London Insur. 477 80 75
Sun Life Assur. (5p) 96 4½ 5
Willis Faber (25p) 233 (7/2)

FINANCIAL TRUSTS (88)

INVESTMENT TRUSTS (253)

Aberdeen Invtmts. (25p) 61 (2/2)
Aberdeen Trust (25p) 91. N.O. (25p) 93 1½ 2½ (6/2)
Acorn Securities Co. (1p) 98 (7/2)
Ailsa Invtmt. Trust (25p) 113 (6/2)
Alliance Invtmt. Co. (25p) 105 (5/2)
Alliance Trust Co. (25p) 279½● 15● 12 11 9 14 10. 4½pcDb. 31 (5/2)
Altifund Co Sh. (50p) 191
Alva Invtmt. Trust (25p) 157½● 8

Ship repair men to consider action

BY LYNTON McLAIN

THE WORKS committee at Falmouth Shiprepair yard, Cornwal, which is to be closed by British Shipbuilders, decided to wait until next week before considering what action to take over redundancies.

Three ships are in dry dock at the yard and two on floating berths. Repair work is expected to be completed in a few weeks.

Mr. Harry Stevens, the Transport and General Workers Union district secretary said "there is strong feeling among some of the men that there should be militant action to show what they think of the closure."

But he said most of the men were prepared to give the Government time to consider the implications for the area, which already has over twice the national level of unemployment.

The Industry Department said yesterday that the area would be designated a special development area. Regional Development grants will be raised from 20 per cent to 22 per cent as a result.

SINGAPORE

Feb. 9	$	Feb. 9	$
Industrials		Straits Trdg	5.50
		Times Pub. Berhad	5.14
Boust'ad Co	1.94	U. Engin'ers	1.36
Boust'ad Bd	2.66	U. Ov's Bk...	3.32
Dunlop	4.60	Wearnes......	2.71
Esso.........	3.90	Tractors......	5.10
Fraser Nave	5.15	Chemical ...	4.84
Haw Par.....	1.63	Wilm. Jacks	1.29
Hume Ind....	1.78	Rubbers	
Inchcape ...	1.59	Btu. Lintang	2.01
Malay Brew	†5.50	Dunlop Est.	3.70
Malay Cemt	‡2.85	Kempas......	4.19
Met. BxSing	2.82	Tins	
Ov's ChinBk	7.90	Austral. Am.	—
Pan El'ctric	1.40	Berjuntai ...	†7.30
Robins'n Co	2.50	Kampar.......	†2.80
Rothman.....	2.80	Kuchai	—
Shell.	—	Lower Perak	—
Sime Darby	3.10	Petaling Tin	—
Cold St'r'ge	2.15	Supreme Cp	‡1.79
SraitsSte'm	†2.50	Tongkah Har.	†2.80
Straits Tms (1975) Ltd..	—		

† Buyer. ‡ Seller. xd Ex dividend.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN	F.370	5	5.80	—	—	—	—	F.365
ABN	F.390	2	1.20	—	—	—	—	"
AKZ	F.30	30	1.80	32	2.70	47	3.70	F.29.60
AKZ	F.32.50	55	0.70	14	1.50	18	2.50	"
AKZ	F.35	15	0.30	—	—	—	—	"
CSF	F.380	—	—	4	13	2	21.80	F.353.50
FNC	$20	—	—	2	4¼	—	—	$22⅞
GOB	F.140	5	6.20	—	—	—	—	F.140.20
GOB	F.150	6	1.80	—	—	2	3.80	"
GOB	F.160	—	—	3	1.50	5	2	"
HO	F.32.50	—	—	—	—	3	3.20	F.31.60
HO	F.35	6	0.70	—	—	4	2.40	"
HO	F.37.50	70	0.30	—	—	—	—	"
HO	F.40	—	—	50	0.70	—	—	"
IBM	$280	—	—	1	33¼	—	—	$300⅝
IBM	$300	10	14⅝	—	—	—	—	"
IBM	$320	3	5½	—	—	—	—	"
KLM	F.100	—	—	12	13.80	22	15	F.106.80
KLM	F.110	21	4.30	12	8	2	10	"
KLM	F.120	23	1.10	3	4.50	1	6.50	"
KLM	F.130	44	0.50	2	2	—	—	"
KLM	F.140	5	0.40	—	—	—	—	"
KLM	F.150	55	0.20	—	—	—	—	"
KLM	F.160	—	—	5	0.60	—	—	"
NN	F.110	3	4.20	—	—	—	—	F.109.70
NN	F.120	—	—	—	—	5	2	"
PHI	F.22.50	10	2	8	2.30	—	—	F.23.70
PHI	F.25	21	0.60	98	1.10	11	1.60	"
PHI	F.27.50	46	0.20	—	—	—	—	"
PRD	$50	3	⅝	—	—	—	—	$50
PSA	F.400	—	—	1	24.40	—	—	F.397
PSA	F.440	—	—	—	—	2	12.50	"
RD	F.120	3	7	3	8	—	—	F.125.20
RD	F.125	9	3.80	—	—	—	—	"
RD	F.130	96	1.50	69	2.50	—	—	"
RD	F.140	—	—	5	0.90	—	—	"
UNI	F.110	40	14.50	3	15.80	—	—	F.123.10
UNI	F.120	20	5	—	—	—	—	"
UNI	F.130	—	—	—	—	25	3	"
XRX	$50	3	7⅞	—	—	2	10¾	$57¾
		Feb.		May		August		
BA	$70	3	2⅝	1	7⅝	—	—	$71⅞
BA	$80	—	—	1	3⅜	—	—	"
		March		June		Sept.		
SB	$20	—	—	4	1⅞	—	—	$20⅜
TOTAL VOLUME IN CONTRACTS					1085			

UNIT TRUSTS (10)

M and G American Gen. Fund Income 51.20. Accum. 52.9 (6/2)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	12½	½-year	250	3-4
Barnsley Metro. (0226 203232)	13	½-year	250	5-7
East Linsey (0507 5801)	12¾	½-year	2,000	5-10
Exeter (0392 77888)	12½	½-year	500	6-7
Poole (02013 5151)	12¾	½-year	500	5-10
Redbridge (01-478 3020)	12½	½-year	200	4-5
Sefton (051 922 4040)	13	½-year	2,000	5-7
Worthing (0903 37111)	12	½-year	500	1
Worthing (0903 37111)	12½	½-year	500	2
Wrekin (0952 505051)	13½	yearly	1,000	5-10

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term Shares
Abbey National	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Aid to Thrift	8.25	8.75	—	—
Alliance	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs., 8.25 1 yr.
Anglia Hastings and Thanet	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs., 8.25 1 yr.
Bradford and Bingley	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Bridgwater	7.75	8.00	9.50	9.10 2½ yrs., 8.75 2 yrs.
Bristol and West	7.75	8.00	9.25	—
Bristol Economic	7.75	8.00	9.25	8.25 3 months' notice
Britannia	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., 3 months' not.
Burnley	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Cardiff	7.75	8.50	9.50	—
Catholic	7.50	●8.20	9.00	— ● 8.40 over £5,000
Chelsea	7.75	8.00	9.25	8.75 6 mths. not. £500 min. 8.50 3 mth.
Cheltenham and Gloucester	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., £500-£15,000
Citizens Regency	7.75	8.30	9.50	9.30 3 years
City of London	8.00	8.30	9.25	9.35 3 yrs. increment share min. £500
Coventry Economic	7.75	8.00	9.25	9.00 3-yrs. min., 8.50 3 mths.' notice
Coventry Provident	7.75	8.00	10.00	9.25 3 yrs., 8.75 2 yrs., 8.25 1 yr.
Derbyshire	7.75	8.00	9.25	8.50 up to 3 months' notice
Gateway	7.75	8.00	9.25	9.00 3yrs., 8.5 2yrs., min. £500-£15,000
Guardian	7.75	8.25	8.50	8.95 £1,000 3 months' notice
Halifax	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Heart of England	7.75	8.00	9.25	9.00 3 yrs., 8.50 3 months' notice
Hearts of Oak and Enfield	7.75	8.25	9.75	9.25 3-4 yrs., 9.00 3 yrs., 8.71 1 yr.
Hendon	8.00	8.50	—	9.00 6 months, minimum £2,000
Huddersfield and Bradford	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.
Leamington Spa	7.85	8.10	■10.97	8.85 2 years. ■3 years
Leeds Permanent	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., min. £1,000
Leicester	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., 8.25 3 mths.
Liverpool	7.75	8.00	9.45	9.10 3 yrs., 8.60 2 yrs., min. £1,000
London Goldhawk	7.75	†8.50	†9.75	†9.50 3 yrs., †9.25 2 yrs., †9.00 1 yr.
Melton Mowbray	7.85	8.10	9.25	8.85 2 yrs., minimum £2,000
Mornington	8.25	8.75	—	—
National Counties	8.00	8.30	9.30	9.40 6 mths., 8.75 3 mths., min. £1,000
Nationwide	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs., min. £500
Newcastle Permanent	7.75	8.00	9.30	9.30 3 yrs., 9.00 2 yrs.
New Cross	8.50	8.75	—	—
Northern Rock	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., min. £200
Norwich	7.75	8.00	9.50	9.00 3 yrs., 8.75 2 yrs., min. £500
Peckham Mutual	8.00	8.50	—	—
Portman	7.75	8.00	9.25	9.00 3 yrs., 8.75 ½-yrly., 8.25 3 mths.
Principality	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs., min. £500
Progressive	8.00	8.25	9.25	9.00 2 yrs., 8.75 3 months' notice
Property Owners	7.75	8.50	9.75	9.00 3 months' notice
Provincial	7.75	8.00	9.25	9.00 3-4 yrs., 8.50 2 yrs.
Skipton	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs., 8.25 3 mths. not.
Sussex Mutual	7.75	8.35	10.00	9.30 3 yrs., 9.00 2 yrs., 8.75 1 yr.
Town and Country	7.75	8.00	♣10.00	9.00 3 yrs., 8.50 2 yrs. ♣ Max. £250
Walthamstow	7.75	8.10	9.20	9.15 3 yrs., 8.85 3 mths. not. min. £500
Woolwich	7.75	8.00	9.25	9.00 3 yrs., 8.50 2 yrs.

* Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

OIL (334)

Attock Pet. (20p) 78

UK RAILWAYS (3)

Canadian Pacific (SC5) 14½. 7½pcPfdA (SC10) 605p. 4pcDb. 289

SHIPPING (45)

TEA (7)

TRAMWAYS (1)

Barton Transport (150p) 117●

CANALS & DOCKS (6)

WATERWORKS (7)

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement

February 8 (Nil)
February 7 (Nil)
February 6 (Nil)
February 5 (Nil)
February 2 (Nil)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

FEBRUARY 8

Ampol Pets 63½●
B. H. South 137
Bougainville Copper 172● 1● 68 71 70 69 7
Bridge Oil 123
Carr Boyd 39
Cheung Kong 145
Conzinc Rio Tinto 317●
Hong Kong Land 119½
Husky Oil £26¼
Hutchison Whampoa 67
Imperial Oil A £15½●
Jardine Matheson 159½● 90 88
Jardine Secs 96● ¼
Jimberlana Minerals 110
Mautag Com. £17½●
Minnesota Mining £44●
Myers Emporium 158● 5● 5
New Metal Mines 26
Nicholas Int. 83
Oakbridge 137●
Oil Search 10½
Pahang Cons. 47
Petrofina £95½●
Poseidon 49● 60 55 4 2

February 3 (Nil)
February 2 (Nil)
(By permission of the Stock Exchange Council)

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

EXCHANGE CROSS RATES

Feb. 8	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.002	3.703	398.5	8.500	3.330	3.998	1675.	2.392	58.40
U.S. Dollar	0.500	1.	1.849	199.1	4.246	1.663	1.997	835.8	1.195	29.17
Deutsche mark	0.270	0.541	1.	107.6	2.296	0.899	1.080	451 9	0.646	15.77
Japanese Yen 1,000	2.509	5.024	9.291	1000.	21.33	8.356	10.03	4199.	6.003	146.5
French Franc 10	1.176	2.355	4.356	468.8	10.	3 918	4.703	1969.	2.814	68.71
Swiss Franc	0.300	0.601	1.112	119.7	2.553	1.	1.200	502.5	0.718	17.54
Dutch Guilder	0.250	0.501	0.926	99.69	2 126	0.833	1.	418.6	0.598	14 61
Italian Lira 1,000	0.598	1 196	2.213	238.2	5 080	1.990	2.389	1000.	1.430	34.90
Canadian Dollar	0.418	0.837	1.548	166.6	3.554	1.392	1.671	699.5	1.	24 41
Belgian Franc 100	1.712	3 428	6.340	682.4	14.55	5.702	6.845	2865.	4.096	100.

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (since February 8, 1979)

The Treasury bill rate rose sharply at yesterday's tender by 0.6193 per cent to 13.1154 per cent, and the minimum accepted bid fell to £96.73 from £96.88½. Bids at that level were met as to about 46 per cent and all bills offered were allotted. The £300m on offer attracted bids of £1,078.87m compared with £470.52m for £400m last week. Next week a further £300m will be on offer, replacing maturities of £400m.

The shortage of credit in the London money market prompted the authorities to give a very large amount of assistance. This consisted of a moderate purchase of Treasury bills and a small number of corporation bills, all direct to the discount houses. The Bank also bought a large amount of eligible bank bills for resale at a fixed future date. Discount houses were paying up to 13½ per cent for secured call loans, although closing balances were taken down to 8 per cent.

The market was faced with a small excess of revenue transfers to the Exchequer over Government disbursements and a small increase in the note circulation. There was also the settlement of very large sales of gilt-edged stock. On the other hand there was a small surplus of Treasury bills maturing outside official hands.

In the interbank market weekend money opened at 13½-13¾ per cent and firmed to 14¼-14¾ per cent before easing gradually throughout the day. The situation was made somewhat more complex by the absence of any rise in clearing bank base lending rates, and after the authorities' rather generous assistance, closing balances were taken down to 1 per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

Trading petered out in yesterday's foreign exchange market ahead of the weekend, with most currencies recording little change. The dollar received a little assistance from time to time from various central banks, but the sums involved were generally insignificant. There were no fresh factors to influence the U.S. unit and against the D-mark it finished at DM 1.8480 compared with DM 1.8495 on Thursday. The Swiss franc was slightly weaker at SwFr 1.6630 from SwFr 1.6600 while the Japanese yen eased to Y198.80 from Y198.125. With U.S. centres closed for a holiday on Monday, interest remained at a low level but the Fed may have taken advantage of the situation and the dollar was slightly firmer in the last 20 minutes of trading in London. On Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation widened ot 8.7 per cent from 8.6 per cent.

Sterling remained steady during the day, and this was reflected in its trade weighted index, which remained at 63.4 for all three calculations, unchanged from Thursday. Against the dollar it opened at $2.0030 and eased to a low of $1.9990 before recovering to $2.0025 around noon. In the afternoon it touched $2.0060 but the dollar's small recovery towards the end pushed back the closing rate to $2.0015-2.0025, a fall of 30 points.

In sharp contrast, conditions in the bullion market were *extremely volatile. Gold opened* at $247-248 and eased through the morning fixing of $243.90 to touch $241-242. However the metal staged a recovery before the opening of U.S. markets and was quoted at $245-246, and this trend continued to see a high of $246-247. Interest in London tended to die away but in New York the market collapsed for no apparent reason and was quoted around $240. In London gold closed at $242½-243½, a fall of $7½ from Thursday, but a rise on the week of $11½.

THE POUND SPOT

Feb. 9	Bank rate %	Day's Spread	Close
U.S. $	9½	1.9980-2.0060	2.0015-2.0025
Canadian $	11¼	2.3885-2.3970	2.3915-2.3925
Guilder	6½	3.98-4.02½	3.99½-4.00½
Belgian F	6	58.30-58.55	58.35-58.45
Danish K	8	10.24½-10.28½	10.25½-10.26½
D mark	3	3.69-3.72	3.69½-3.70½
Port. Esc.	18	94.10-95.00	94.25-94.75
Span. Pes.	8	138.10-138.60	138.10-138.20
Lira	10½	1,671½-1,676½	1,672½-1,673½
Nrwgn. K.	7	10.16½-10.18½	10.16½-10.17
French Fr.	9½	8.48-8.53	8.49½-8.50½
Swedish Kr	6½	8.70-8.74	8.70-8.71
Yen	3½	392-402	397½-398½
Austria Sch	3¾	*27.05-27.25	27.05-27.10
Swiss Fr.	1	3.31½-3.35	3.32½-3.33½

Belgium rate is for convertible francs. Financial franc 59.25-59.35.
* Close for Austrian Sch. on Feb. 7 should have read: 27.12-27.17.

OTHER MARKETS

Feb. 9	£	$		£ Note Rates
Argentina Peso	2,155-2,155	1065-1075	Austria	26.75-27.75
Australia Dollar	1.7600-1.7650	0.8790-0.8800	Belgium	59-60.
Brazil Cruzeiro	43-44	21.48-21.98	Denmark	10.20-10.30
Finland Markka	7.91-7.92	3.9605-3.9625	France	8.45-8.55
Greek Drachma	71.950-73.708	35.95-36.80	Germany	3.65-3.75
Hong Kong Dollar	9.59¾-9.61½	4.7940-4.7990	Italy	1,650-1,700
Iran Rial	152.15-162.15	76-81	Japan	395-405
Kuwait Dinar (KD)	0.542-0.552	0.2732-0.2733	Netherlands	3.95-4.05
Luxembourg Frc.	58.35-58.45	29.14-29.15	Norway	10.12-10.32
Malaysia Dollar	4.3830-4.3955	2.1840-2.1870	Portugal	89-98
New Zealand Dlr.	1.8900-1.8940	0.9445-0.9465	Spain	139.80-144.50
Saudi Arab. Riyal	6.69-6.79	3.3590-3.3630	Switzerland	3.30-3.40
Singapore Dollar	4.3390-4.3515	2.1710-2.1730	United States	2.0000-2.0100
Sth. African Rand	1.7019-1.7265	0.8500-0.8625	Yugoslavia	40.5-43.5

Rate given for Argentina is free rate.

GOLD

	February 9	February 8
Gold Bullion (fine ounce)		
Close	$242½-243½	$250-251
Opening	$247-248	$250-250¾
Morning fixing	$243.90 (£121.840)	$254.00 (£126.087)
Afternoon fixing	$246.75 (£123.018)	$250.50 (£125.094)
Gold Coins, domestically		
Krugerrand	$276¼-280¼ (£138-140)	$284½-288¼ (£142-144)
New Sovereigns	$68½-70½ (£34¼-35¼)	$70-72 (£35-36)
Old Sovereigns	$71-73 (£35½-36½)	$72-74 (£36-37)
Gold Coins, internationally		
Krugerrand	$252-254 (£125½-126½)	$258-260 (£128½-129½)
New Sovereigns	$63½-65½ (£31¾-32¾)	$65-67 (£32½-33½)
Old Sovereigns	$71-73 (£35½-36½)	$72-74 (£36-37)
$20 Eagles	$317-322	$312-314
$10 Eagles	$175-180	$176-181
$5 Eagles	$115-120	$117-120

LONDON MONEY RATES

Feb. 9 1979	Sterling Certificate on deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	1-14½	—	—	—	12	8-13½	—	—	—
2 days notice	—	—	13½-13¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	12½	—	—	—	—
7 days notice	—	11-14	13⅝-13¾	—	13¾	—	13-13¼	—	—	—
One month	13⅝-13⅜	13¾-14	13⅝-14	13⅝-14	14	—	13	12⅞-13	13⅜	13½
Two months	13⅝-13⅝	13¾-14	—	13½-13⅞	14	—	13	13⅛	13½-13⅜	13⅝
Three months	13¾-13⅝	13⅞-14	13⅞-14	13⅝-13⅞	14¼	—	13¼	13⅛	13¼	13¾
Six months	13¾-13⅝	13⅞-14	13½-14	13½-13⅝	14¼	—	—	—	12¾	14
Nine months	13⅞-13⅞	13⅞-13¾	—	13⅝-13¾	14	—	—	—	—	—
One year	13½-13¼	13⅞-13⅞	13⅞-13⅝	13⅝-13¾	13¾	—	—	—	—	—
Two years	—	—	13½-13¾	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 13¾-13⅞ per cent; four years 13¾-14 per cent; five years 13⅞-14 per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13¼-13⅛ per cent; four-month trade bills 14 per cent.

Approximate selling rates for one-month Treasury bills 12¾-12⅝ per cent; two-month 12⅝-12⅝ per cent; three months 12⅝ per cent. Approximate selling rate for one-month bank bills 13⅛-13¼ per cent; two-month 13⅛-13⅞ per cent, and three-month 13⅝-13⅞ per cent; one-month trade bills 13¾ per cent; two-month 13½ per cent; and three-month 13¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 12½ per cent from February 1, 1979. Clearing Bank Deposit Rates for small sums at seven days notice 10 per cent. Clearing Bank Rates for lending 12½ per cent. Treasury Bills: Average tender rates of discount 13.1154 per cent.

CURRENCY MOVEMENTS

February 9	Bank of England Index	Morgan Guaranty changes %
Sterling	63 38	−40.9
U.S. dollar	83.96	− 8.7
Canadian dollar	78 54	−18.9
Austrian schilling	147.45	+19 6
Belgian franc	114.66	+15 3
Danish krone	119.26	+ 7.9
Deutsche Mark	150.55	+42.0
Swiss franc	195 30	+82.9
Guilder	124.87	+21.0
French franc	99.80	− 5 8
Lira	54.26	−49 3
Yen	145.38	+43.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

Feb. 9	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	13⅜-13⅝	10⅛-10⅜	8¾-9¾	6¾-7	par-⅛	3⅝-3⅞	6⅝-6⅞	—	—	3¼-6¾
7 day's notice	13½-13¾	10¼-10½	8¾-9¾	6¾-7	par-⅛	3⅝-3⅞	6⅝-6⅞	10-11	10⅛-10¼	2½-4
Month	13¾-13⅞	10½-10¾	10⅝-11	6⅜-6⅝	par-⅛	3⅝-3⅞	7-7¼	12-13	10⅛-10⅜	2⅝-3⅛
Three months	13½-13¾	10⅞-11⅛	10¾-11⅛	6⅜-6⅝	⅛-¼	3¾-3⅞	7½-8	12½-13½	10⅞-11⅛	3⅛-3⅜
Six months	13½-13¾	11⅛-11⅜	10⅞-11⅛	6¼-6½	⅜-⅝	4-4⅛	8⅝-8⅞	13½-14½	11⅛-11⅜	3½-3⅞
One year	13⅜-13⅝	11⅛-11⅜	10⅞-11⅛	6⅛-6⅜	½-⅝	4⅜-4⅝	9-9⅛	13¾-14¾	11⅛-11¼	3⅞-4¼

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.40-10.50 per cent; three months 10.65-10.75 per cent; six months 11.00-11.10 per cent; one year 11 00-11 10 per cent.

Long-term Eurodollar deposits: two years 10⅝-10⅞ per cent; three years 10⅝-10⅞ per cent; four years 10⅝-10⅞ per cent; five years 10⅝-10⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

U.K. CONVERTIBLE STOCKS 9/2/79

Statistics provided by *data STREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.◊	Cheap(+) Dear(−) Current
Associated Paper 9½pc Cv. 85-90	1.40	107.00	200.0	76-80	8.9	8.2	− 2.7	− 8 to 9	10.4	8.8	− 1.4	+ 1.3
Bank of Ireland 10pc Cv. 91-96	1.20	187.00	47.6	77-80	5.5	2.2	− 0.6	− 9 to −1	18.1	14.0	− 2.2	− 1.6
British Land 12pc Cv. 2002	7.71	176.00	333.3	80-97	6.9	6.1	11.2	1 to 26	0.0	93.2	58.8	+47.7
English Property 6½pc Cv. 98-03	8.07	113.00	234.0	76-80	5.8	5.6	0.6	−11 to 1	11.4	6.2	− 4.7	− 5.3
English Property 12pc Cv. 00-05	15.31	96.00	150.0	76-84	12.9	13.0	33.3	33 to 66	26.5	45 9	26.9	− 6.4
Hanson Trust 6½pc Cv. 88-93	4.51	83.00	57.1	76-80	8.1	8.9	− 0.5	− 3 to 4	6.1	6.2	0.2	+ 0.7
Hewden-Stuart 7pc Cv. 1995	0.01	376.88	564.5	75-80	1.9		− 1.8	− 5 to 8	15.6	6.5	− 2.4	− 0.6
Slough Estates 10pc Cv. 87-90	5.50	176.00	125.0	78-87	5.7	0.7	3.5	4 to 15	37.6	51.8	8.3	+ 4.8
Thorn Electric 5pc Cv. 90-94	4.19	98.00	29.1	75-80	5.0	5.0	0.3	− 5 to 1	8.8	4.4	− 4.5	− 4.8
Tozer, Kemsley 8pc Cv. 1981	0.78	89.00	153.9	74-79	9.2	14.0	25.7	12 to 26	5.1	3.9	− 1.7	−27.5
Ultramar 7pc net R.Cv.Pfd.	14.97	1.35	0.5	76-88	7.7	5.6	5.1	5 to 16	0.0	57.5	44.8	+39.6
Wilkinson Match 10pc Cv. 83-98	11.10	85.00	40.0	76-83	11.9	12.2	37.1	20 to 37	26.1	34.7	13.8	−23.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

LONDON STOCK EXCHANGE

Big demand exhausts long tap and enables Gilt-edged to stabilise while equities stage late improvement

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 29	Feb. 8	Feb. 9	Feb. 20
Feb. 12	Feb. 22	Feb. 23	Mar. 6
Feb. 26	Mar. 8	Mar. 9	Mar. 20

* "New time" dealings may take place from 9.30 am two business days earlier.

Exhaustion of the Government long tap stock, Treasury 12¾ per cent 2003/5, only hours after it was re-activated some seven points below the previous official selling level, and activation of the short tap for the first time at 93¼—the stock was issued on the 17th of last month at 97¼ and very few applications were received—provided the outstanding features in stock markets yesterday.

The flow of funds into the long tap over the last two trading sessions, possibly as much as £400-£500m, has enabled the recently weak Gilt-edged market to settle. Fears, predominant late on Thursday, that the hike of 1½ per cent to 14 per cent in Minimum Lending Rate was not enough were calmed, if only temporarily, and at 3.30 p.m. yesterday another worry was removed when the authorities did not announce a replacement tap stock.

The market thus has a few more days to stabilise and perhaps tempt potential investors to utilise the funds believed to have built up during the recent downturn. Longer Gilts found the going a little difficult because of the involvement of substantial switching into the tap but in dealings after the official close marginally extended their improvements and settled at the day's best with gains to ½.

As expected, the Government broker accepted a bid, thought to be of moderate size, and established the short tap Treasury 12 per cent A 1983 at 93¼. This development coupled with the activity among the longs encouraged a more stable trend than of late which finally brought recoveries ranging to ½.

Equities, meanwhile, opened a shade firmer in continuation of Thursday's late rallying movement but, in the absence of any real incentive, began to drift back with interest centred on the Funds. The Prime Minister's repeated determination to hold inflation down in single figures had no impact on sentiment but comfort was derived from the division among BL workers on the call for strike action.

With few end-Account influences in operation, buyers waited until the 3.30 pm official close, following which the new trading period begins, before taking any action: then a small inquiry for leading industrials prompted a general improvement which left the FT 30-share index 1.8 higher on the day at 450.7, but a net 16.6 down on the week.

Selling of investment currency dried up yesterday and with cheap buyers in evidence, the premium managed to rally 1½ to close at 59½ per cent. Yesterday's SE conversion factor was 0.6855 (0.6857).

A total of 749 contracts in the Traded Option market brought the week's daily average to 844, the highest since the week-ending September 15. Consd. Goldfields were again active yesterday, recording 154 deals.

The strong bid defence to London and Midland Industrial's 85½p per share cash offer and news that Comet Radiovision had increased its stake in the company to 15 per cent lifted Caledonian Holdings 7 to a peak of 107p.

Banks better

In anticipation of a rise in their base lending rates next week following the MLR increase, the major clearing banks recovered from a dull start to finish a shade firmer for choice. Lloyds, which are due to start the dividend season next Friday, closed 2 dearer at 280p, after 274p, while Midland ended the same amount better at 350p, after 346p. Elsewhere, Standard Chartered, at 436p, retrieved 6 of the previous day's fall of 20 but Grindlays came on offer at 120p, down 4. Dull merchant banks featured Arbuthnot Latham, 8 lower at 140p, and Hambros, 4 easier at 174p. Hire Purchases declined further on dearer money fears. Provident Financial dipped 6 to 90p and Wagon Finance 2 to 40p.

A disappointing set of first-quarter figures from its Canadian subsidiary Reed Stenhouse depressed Lloyds broker Stenhouse Holdings which touched a 1978-79 low of 81p before closing a net 6 down at 82p. Elsewhere in Insurances, Minet declined 3 to 181p, while Phoenix, 218p, and Equity and Law, 184p, lost 4 apiece.

The drinks sector ended the account idly with Brewery leaders moving narrowly around the overnight levels. Among Distilleries, Arthur Bell rallied 2 to 168p, but still recorded a fall on the week of 14. Second thoughts over the interim statement took Amalgamated Distilled Products 2 easier before "new-time" buying left them a penny off at 34p.

Norwest Holst provided a firm feature in Buildings, rising 10 to 116p on a combination of acquisition news and Press comment. Taylor Woodrow weakened 11 to 369p, but recently dull Costain issues recovered a couple of pence to 150p for the ordinary and 108p for the deferred, but still finished with respective falls on the week of 16 and 18. Cements tended easier with Blue Circle and Tunnel B both 4 lower at 248p and 276p respectively while, in Timbers, International, 112p, and Parker, 125p, cheapened 2 apiece.

ICI fluctuated narrowly around the overnight level of 346p before settling at 347p. Among other Chemicals, Scottish Agricultural Industries rose 10 to 193p in a limited market, but Leigh Interests, despite a favourable Press mention, eased a penny to 106p for a fall on the week of 9.

MFI good late

A late flurry of buying ahead of next Tuesday's interim results helped MFI Furniture feature Stores with a rise of 9 to a 1978-1979 peak of 215p. Status Discount, which go ex—the 400 per cent scrip—issue shortly, improved 5 to 232p, while Cantors A added 3 at 41p. A. G. Stanley, however, gave up 6 to 184p and H. Samuel A softened 4 to 188p; the latter's chairman has increased his holding in the company to nearly 23 per cent. Rosgill held steady at 28p: the price in yesterday's issue was incorrect.

Although Electricals presented a mixed appearance, recent selling subsided and the undertone was much steadier. Among the leaders, EMI and GEC fluctuated narrowly before closing unaltered at 126p and 313p respectively, while Thorn rallied 4 to 338p. Farnell picked up 4 to 404p, while United Scientific rallied 3 to 264p. On the other hand, Allied Insulators encountered sporadic selling and eased 4 to 58p. Muirhead gave up a similar amount to 218p while, in smaller-priced issues Clifford and Snell eased 3 to 28p.

Leading Engineerings extended earlier small gains by a penny or so in the late dealings. John Brown finished 6 to the good at 392p and Tubes 4 up at 350p. Hawker picked up 3 to 197p, but still recorded a loss of 17 on the week. Talk of an imminent statement from GEC on its bid intentions prompted a great deal of speculative activity in Averys which eventually settled at 220p, up 19. Elsewhere in secondary issues, comment on the interim results caused fresh dullness in ML Holdings down 5 more at 145p, while Serck, 2 cheaper at 60p, continued to reflect the warning of lower profits. Davy Corporation reacted 4 to 123p and Vosper eased a similar amount to 196p, but Baker Perkins took a distinct turn for the better at 162p, up 7. Alcan Aluminium fell away to 140p on the fall in annual profits before recovering to close without alteration at 148p. Williams and James picked up 2 to 137p and Weir Group rallied a like amount to 85p.

Foods displayed narrow mixed movements following a small two-way trade. Hillards at 222p recovered the previous day's fall of 3, but small selling left Watson and Philip 4 cheaper at 46p. In the leaders, J. Sainsbury picked up 2 to 232p, but Tate and Lyle finished that much easier at 138p.

In barely-tested Hotels and Caterers, Grand Metropolitan hardened a penny to 116p, and, in response to Press comment, Norfolk Capital added a like amount to 39p.

Channel Tunnel firm

Miscellaneous Industrial leaders regained some composure after the recent sharp falls and closed the week mixed. An investment recommendation helped Reckitt and Colman improve 3 to 448p, while Beecham and Glaxo closed similarly dearer at 595p and 465p respectively. Elsewhere, Channel Tunnel rose 7 to 62p, after 63p, on a resurgence of speculative buying fuelled by reports that detailed planning for a £650m single track tunnel is to be conducted by British Rail with a view to a possible opening in 1990. Buying of a speculative nature also helped Kraft Productions put on 5 to 18p. On the other hand, Ricardo cheapened 8 to 290p and Redfearn National Glass declined 6 to 256p, while Carlton Industries closed 5 down at 215p.

Small buying lifted recently depressed Motor Distributors. Lack of follow-through demand restricted gains to a penny or so, but British Car Auctions rose 2½ to 63½p. In contrast, Caffyns fell 5 to 99p. Plaxtons rose 4 to 121p following favourable Press comment. Despite numerous BL plants rejecting the strike call.

International Thomson continued to benefit from the group's North Sea oil interests and rose 10 for a gain on the week of 44 to 331p. Oil interests were also good for a rise of 4 to 192p in Associated Newspapers.

The Dutch group Wereldhave's discussions with Carena Properties, the Canadian holding company that controls Trizec, English Property Corporation's interest in Canada, put a slight dampener on possibilities of a counter-bid for EPC which eased ½ to 47½p compared with Wereldhave's 46p per share cash offer. Other Properties encountered a reasonable end-of-account trade and, after a slightly easier opening, ended on a quietly firm note.

Late rally in Oils

Leading Oils moved ahead in the late dealings and closed better on balance after having encountered profit-taking initially. British Petroleum reacted to 946p before buyers took the price to a close of 958p for a rise of 4 on the day and one of 32 on the week, while Shell finished 6 to the good at 620p, after touching 612p at the opening. Royal Dutch, up ½ at £45½, reflected the rally in the dollar premium. Siebens (UK) stood out in secondary issues with a jump of 18 to 258p.

Following the announcement late on Thursday of the 110p cash per share bid for Ash Spinning from John Bright, the former eased 2 to 106p, while Bright shed a penny to 34p. Elsewhere in featureless Textiles, Nottingham Manufacturing firmed a penny to 129p ahead of the annual results due on Tuesday. Small and Tidmas added 2 to a 1978/79 peak of 62p, but canvas and synthetic yarn manufacturers Richards eased that amount to 20p following the chairman's gloomy remarks at the AGM.

Golds weak

A heavy fall in the bullion price in overnight U.S. markets and the resultant weakness in London—bullion was finally $7.50 down at $243 per ounce although still $11.625 higher over the week—prompted losses in South African Golds for the third successive day.

Substantial overnight American selling saw prices marked down at the outset and they continued to lose ground following Cape Continental and London offerings.

A modest rally developed in the early afternoon but overall losses were sufficient to lower the Gold Mines index by 4.6 to 174.0, thereby reducing the gain on the week to 2.1. The ex-premium index slipped 3.2 to 119.3. South African Financials moved similarly to Golds. Gold Fields of South Africa fell ½ to £15¼ and Middle Wits 5 to 240p.

Coal producers enjoyed a good week on continuing hopes that the freeze on Iranian oil exports to South Africa will boost domestic coal consumption. Although 15 cheaper yesterday at 765p, "Amcoal" remained 68 better over the longer period, while Transvaal Consolidated Land rose ½ more to a 1978-79 high of £15½ for a week's gain of £1½.

London-based Financials staged a good recovery in the late trade in line with UK equities.

Australias were featured by the strength of Pancontinental which advanced £1½ to £10¼ reflecting a good performance by the shares in overnight domestic markets coupled with receding fears of Aboriginal objections to uranium mining at Jabiluka. Other Australians, however, were sharply lower.

Ayer Hitam were prominent in Tins with the shares 10 lower at 390p following the disappointing January tin output.

Elsewhere, Afrikander Lease, 20 higher at 260p, continued to attract persistent Cape interest on hopes of a go-ahead to uranium mining.

FINANCIAL TIMES STOCK INDICES

	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 2	A year ago
Government Secs.	64.80	64.64	65.13	65.34	65.57	65.88	78.45
Fixed Interest	66.08	65.97	66.67	66.84	66.91	67.21	78.16
Industrial	450.7	448.9	455.2	454.8	460.7	467.3	471.0
Gold Mines	174.0	178.6	182.8	183.6	181.4	171.9	146.0
Gold Mines(Ex $ pm)	119.3	122.5	123.5	123.2	121.6	115.0	110.3
Ord. Div. Yield	6.32	6.34	6.27	6.26	6.21	6.14	5.70
Earnings, Y'ld % (full)	16.55	16.59	16.42	16.39	16.24	16.07	17.57
P/E Ratio (net) (*)	7.85	7.82	7.90	7.91	7.98	8.07	8.13
Dealings marked	5,224	5,300	5,055	5,568	5,086	4,638	8,143
Equity turnover £m.	—	104.29	77.93	94.78	87.06	84.77	75.99
Equity bargains total	—	15,307	13,137	16,422	14,669	13,675	16,592

10 am 449.9. 11 am 448.9. Noon 447.8. 1 pm 448.1. 2 pm 448.0. 3 pm 448.0.

Latest Index 01-246 8026.

*Nil=7.63.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928 Industrial Ord. 1/7/35 Gold Mines 12/9/5. Ex $ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978-9 High	1978-9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (6/1/78)	64.64 (8/2/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	65.97 (8/2/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	134.1 (28/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	132.3 (14/8/78)	90.5 (18/4/78)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	Feb. 9	Feb. 8
—Daily		
Gilt Edged	181.1	165.2
Industrials	164.1	174.2
Speculative	53.4	47.0
Totals	118.9	130.6
5-d'y Av'r'ge		
Gilt Edged	166.7	154.5
Industrials	171.7	175.1
Speculative	58.8	58.4
Totals	119.4	117.6

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 6	Feb. 19	May 3	May 15
Feb. 20	Mar. 5	May 17	May 30
Mar. 6	Mar. 19	May 31	Jne. 12

For rate indications see end of Share Information Service

The option market remained active and calls were done in Ladbroke Warrants, London Merchant Securities, European Ferries, FNFC 9½ per cent 92/97, Burmah, Cons. Gold, Electronic Machine, Guthrie, Dunbee-Combex, UDT, Spillers, Lex Service, LASMO, Christopher Moran, Newman Inds., Breedon and Cloud Hill, Bridgend, Britannia Arrow, Poseidon, Bath and Portland, GEC, Premier, Siebens (UK), Northern Engineering, Duple, Costain and British Land. A put was reported in Hawker Siddeley, while doubles included Wheelock Marden A, Bowthorpe and Christopher Moran.

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (23)

BANKS (1)
Credit France

BUILDINGS (2)
Finlan (J.) Norwest Holst

STORES (2)
Bakers Stores MFI Furniture

ENGINEERING (1)
Swan Hunter

INDUSTRIALS (2)
Sibief Kelsey Inds.

MOTORS (2)
Plaxton's Cianfield-Lawrence

NEWSPAPERS (2)
Intl. Thomson [illegible]

PAPER (1)
Olives Paper Mill

PROPERTY (2)
Amal. Estates Country & District

SHIPPING (1)
Milford Docks

SOUTH AFRICANS (1)
Hulett's Corp.

TEXTILES (1)
Small & Tidmas

OILS (2)
BP Shell Transport
LASMO "Ops"

MINES (2)
Transvaal Cons. [illegible]

NEW LOWS (50)

CORPORATION LOANS (2)
Glasgow [illegible]

FOREIGN BONDS (2)
Ireland [illegible]

LOANS (4)
FFI [illegible]

COMMONWEALTH & AFRICAN LOANS (2)
NZ 7¼pc '83-86 South Rhodesian 2½pc '65-70

BANKS (2)
Hill Samuel Midland 10¼pc '93-98
Minster Assets

BUILDINGS (7)
Gleeson (M. J.) Mowlem (J.)
Laing (J.) A Phoenix Timber
Marchwiel Whatlings
Nook (A.)

CHEMICALS (1)
Leigh Interests

STORES (3)
Debenhams Dixons Photographic

ELECTRICALS (1)
[illegible]

ENGINEERING (4)
[illegible]

FOODS (3)
[illegible]

INDUSTRIALS (7)
[illegible]

INSURANCE (2)
[illegible]

MOTORS (2)
[illegible]

TEXTILES (1)
[illegible]

TRUSTS (1)
[illegible]

OVERSEAS TRADERS (1)
[illegible]

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	68	—	12	91	282	37
Corpns. Dom. & Foreign Bonds	10	14	40	28	89	203
Industrials	277	379	865	771	2,888	3,852
Financial and Prop.	64	162	283	205	1,132	1,208
Oils	12	4	22	61	34	95
Plantations	1	11	20	13	48	99
Mines	17	93	30	193	298	219
Recent Issues	4	4	19	22	36	79
Totals	453	667	1,291	1,374	4,895	5,792

YESTERDAY— ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
BP	£1	17	958	+4	958	720
Shell Transport	25p	14	620	+6	620	484
Averys	25p	9	220	+19	242	142
Barclays Bank	£1	9	368	—	398	296
ICI	£1	9	347	+1	421	328
Tricentrol	25p	9	190	+4	190	130
BATs Defd.	25p	8	275	+3	304	227
Beecham	25p	8	595	+3	726	581
Caledonian Hldgs.	25p	8	107	+7	107	68
GEC	25p	8	313	—	349	233
Glaxo	50p	8	465	+3	648	458
Baker Perkins	50p	7	162	+7	170	83
Lonrho	25p	7	63	−1	78	55
Marks & Spencer	25p	7	83	—	94	67½
Tst. Houses Forte	25p	7	256	—	270	166

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1978-79 high	1978-79 low
BP	£1	95	958	+32	958	720
Shell Transport	25p	83	620	+32	620	484
ICI	£1	59	347	−8	421	328
Beecham	25p	49	595	−20	726	581
BATs Defd.	25p	46	275	−7	304	227
Barclays Bank	£1	45	368	−15	398	296
RTZ	25p	45	276	−2	284	164
GEC	25p	44	313	−11	349	233
Tate and Lyle	£1	42	138	−8	218	138
Ultramar	25p	41	252	+30	284	182
Guthrie Corp.	£1	39	428	−7	450	211
Cons. Gold Fields	25p	38	206	+6	206	163
Glaxo	50p	37	465	−15	648	458
Royal Insurance	25p	35	330	−20	425	330
Unilever	25p	35	536	−6	602	476

BASE LENDING RATES

A.B.N. Bank	12½%
Allied Irish Banks Ltd.	12½%
Amro Bank	12½%
American Express Bk.	12½%
A P Bank Ltd.	12½%
Henry Ansbacher	12½%
Associates Cap. Corp.	12½%
Banco de Bilbao	12½%
Bank of Credit & Cmce.	12½%
Bank of Cyprus	12½%
Bank of N.S.W.	12½%
Banque Belge Ltd.	12½%
Banque du Rhone et de la Tamise S.A.	13%
Barclays Bank	12½%
Bremar Holdings Ltd.	13½%
Brit. Bank of Mid. East	12½%
■ Brown Shipley	14%
Canada Perm't Trust	12½%
Cayzer Ltd.	14%
Cedar Holdings	12½%
■ Charterhouse Japhet	12½%
Choulartons	12½%
C. E. Coates	12½%
Consolidated Credits	12½%
Co-operative Bank	*12½%
Corinthian Securities	12½%
Credit Lyonnais	12½%
Duncan Lawrie	12½%
The Cyprus Popular Bk.	12½%
Eagil Trust	12½%
English Transcont.	12½%
First Nat. Fin. Corp.	14%
First Nat. Secs. Ltd.	14%
■ Antony Gibbs	12½%
Greyhound Guaranty	12½%
Grindlays Bank	‡12½%
■ Guinness Mahon	12½%
■ Hambros Bank	12½%
■ Hill Samuel	§12½%
C. Hoare & Co.	†12½%
Julian S. Hodge	13½%
Hongkong & Shanghai	12½%
Industrial Bk. of Scot.	12½%
Keyser Ullmann	12½%
Knowsley & Co. Ltd.	14½%
Lloyds Bank	12½%
London Mercantile	12½%
Edward Manson & Co.	13½%
Midland Bank	12½%
■ Samuel Montagu	12½%
■ Morgan Grenfell	12½%
National Westminster	12½%
Norwich General Trust	12½%
P. S. Refson & Co.	12½%
Rossminster	12½%
Royal Bk. Canada Tst.	12½%
Schlesinger Limited	12½%
E. S. Schwab	13½%
Security Trust Co. Ltd.	13½%
Shenley Trust	14%
Standard Chartered	12½%
Trade Dev. Bank	12½%
Trustee Savings Bank	12½%
Twentieth Century Bk.	13½%
United Bank of Kuwait	12½%
Whiteaway Laidlaw	13%
Williams & Glyn's	12½%
Yorkshire Bank	12½%

■ Members of the Accepting Houses Committee.

* 7-day deposits 10%, 1-month deposits 10¼%.

† 7-day deposits on sums of £10,000 and under 10%, up to £25,000 10½% and over £25,000 10¾%.

‡ Call deposits over £1,000 10%.

§ Demand deposits 10%.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	900	76	10	93	—	113	—	947p
BP	950	35	3	60	—	83	2	"
[illegible]								

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Fri., Feb. 9, 1979 — Highs and Lows Index

[illegible]

FIXED INTEREST PRICE INDICES

[illegible]

FIXED INTEREST YIELDS

[illegible]

AUTHORISED UNIT TRUSTS

E. F. Winchester Fund Mngt. Ltd.
Old Jewry, EC2. 01-606 2167

Great Winchester	18.0	19.6xd	.....	4.94
Gt. Winchester O'seas	18.2	20.3xd	.....	4.38

Emson & Dudley Tst. Mngmnt. Ltd.
20, Arlington St., S.W.1. 01-499 7551

Emson Dudley Tst.	70.3	75.6	.....	7.09

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	65.9	69.3	−0.1	4.58

CORAL INDEX: 450-455

INSURANCE BASE RATES

†Property Growth 12%
†Vanbrugh Guaranteed 12.62%
†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$313.99	.....	2.90
Jardine J'pn. Fd.*	HK$405.40	.....	0.90
Jardine S.E.A.	$US18.06	.....	1.90
Jardine Flem.Int.	$HK12.04	.....	—
Intl. Pac. Secs. (Inc.)	HK$13.79	.....	—
Do. (Accum.)	HK$13.99	.....	—

NAV Jan. 26. *Equivalent $US85.17.
Next sub. day February 15.

CMF Ltd. Jan. 25	$US14.45	14.82	.....	2.90
CMT Ltd. Jan. 25	£14.81	£15.20	.....	2.80
Metals Tst. Jan. 18	£12.93	13.25xd	.....	6.30
TMT Feb. 8	$US10.45	10.72	−0.22	2.86
T.M.T. Ltd. Feb. 8	£10.51	10.78	−0.06	1.26

World Wide Growth Management⊕
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$US16.04	−0.06	—

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	111.7	112.8	.....	—

NOTES

Prices do not include $ premium, except where indicated ✣, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1978-79 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
97	94⅝	Treasury 3pc '79‡‡	95⅞xd	......	3.13	10.37
97⅞	95⅛	Electric 4¼pc '74-79	96⅜	......	4.41	10.37
104¹¹⁄₁₆	98⅛	Treasury 10½pc '79‡‡	98⅜	+⅛	10.69	13.09
96½	94½	Electric 3½pc '76-79	94¾	+⅛	3.69	10.86
103⅛	95⅞	Treasury 9pc 1980‡‡	96¼xd	+⅛	9.36	13.03
102³⁄₁₆	95¹³⁄₁₆	Treasury 9½pc '80‡‡	96	+⅛	9.90	13.03
95⅛	92⅞	Treasury 3½pc '77-80	92¾	......	3.77	9.59
96½	92⅞	Funding 5¼pc '78-80‡‡	92⅞	......	5.65	11.10
110¼	99	Exchequer 13pc 1980‡‡	99⅜	+	13.08	13.34
106¼	96	Treasury 11½pc 1981‡‡	96⅞	+	11.87	13.37
91⅝	88¼	Treasury 3½pc 1979-81	88⅞xd	......	3.94	9.74
101¾	92	Treasury 9¾pc 1981‡‡	92¾	+	10.51	13.76
97	89½	Exch. 8¼pc 1981	89¹¹⁄₁₆	+	9.20	13.53
100¾	91¼	Exch. 9½pc 1981	91	+	10.39	13.77
87½	84¼	Exch. 3pc 1981	84¼xd	......	3.56	10.26
98	95⅜	Treas. Variable '81‡‡	96⅛	+⅛	13.50	14.64
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INTERNATIONAL BANK

[illegible]	[illegible]	5pc Stock '77-82	[illegible]	[illegible]	[illegible]	[illegible]

CORPORATION LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LOANS

Public Board and Ind.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Financial

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly.	22	......	—	—
41	33	Do. 5pc Pref.	40	......	—	—
98	98	Chilean Mixed	98	......	—	f3.18
22	6	Chinese 4½pc 1898	19	−½	—	—
35	4½	Do. 5pc 1912	31	......	—	—
20½	4½	Do. 5pc 1925 Boxer	18½	......	—	—
415	350	German Yng. 4½pc.	415	......	4½	—

BONDS & RAILS—Cont.

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
55	46	Greek 7pc Ass.	52	......	3½	f6.47
53	46	Do 6pc 28 Stab. Ass.	51	......	6	f5.66
45	40	Do 4pc Mixed Ass.	42xd	......	4	f4.44
55	42	Hung. '24 Ass.	42	......	4½	f6.87
77	65	Iceland 6½pc '83-88	68	......	—	14.40
88	78½	Ireland 7½pc '81-83.	78½	−¼	9.53	14.74
91	73	Do 9¾pc '91-96	73	−1	9¼	14.54
425	265	Japan 4pc '10 Ass	370	......	—	—
87	66	Do 6pc '83-88	66xd	−1	6	11.60
160	135	Peru Ass. 3pc.	135	......	3	2.25
75p	75p	S.G.I. 6½pc 1980	75pxd	......	6½	8.67
$99	$94½	Turin 9pc 1991	$94½	......	9	9.53
DM91	DM81	Turin 6½pc 1984.	DM91	......	6½	8.45
97	94	Uruguay 3½pc	97	......	3½	3.80

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1978-79 High	Low	Stock	£	+ or —	Div. Gross	C'vr	Y'ld Gr's
21¾	13½	ASA	19	−⅛	$1.00	—	2.7
60½	59	AMF 5% Conv. '87	59	......	5%	—	f4.8
39¾	22	Amax $1	36½	+⅛	$2.20	—	3.1
50⅞	19½	American Express	21¾xd	+⅛	$1.60	—	3.7
24½	11	Amer. Medic. Int.	20⅝xd	+⅛	60c	—	146.9
15⅜	912p	Asarco Inc.	13½	−¼	40c	—	1.5
29¾	17⅞	Baker Intnl. Corp. $1	22⅞xd	......	44c	—	1.4
19¾	11⅞	Barnes Grp. $6⅔	16⅞	......	$1.0	—	3.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

S.E. List Premium 45⅝% (based on US$2.0040 per £)
Conversion factor 0.6857 (0.6857)

CANADIANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

S.E. List Premium 45⅝% (based on $2.3954 per £)

BANKS AND HIRE PURCHASE

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
199	157	Gerrard Natal.	178	......	g9.12	—	7.6	—
59	37	Gibbs (A.)	45	......	2.23	—	7.4	—
255	195	Gillett Bros. £1.	217	−3	15.41	—	10.6	—
29	19	Goode D't Mry.5p	19	......	0.13	—	1.0	—
142	96	Grindlays	120	−4	2.79	7.1	3.5	4.3
130	93	Guinness Peat	100	......	H5.67	—	8.6	—
217	155	Hambros	174	−4	†9.76	—	8.4	—
100	78	Hill Samuel	78	−2	†4.97	—	9.5	—
600	56	Do. Warrants	60	+4	—	—	—	—
360	203	Hong Shng.$2.50	276	+2	h059c	—	2.5	—
69	52	Jessel Toynbee	60	......	g3.65	—	9.1	—
215	150	Joseph (Leo) £1	155	......	8.74	—	8.4	—

BANKS & HP—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, etc.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BEERS, WINES AND SPIRITS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DRAPERY AND STORES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICAL AND RADIO

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING MACHINE TOOLS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES, ETC.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD, GROCERIES—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOTELS AND CATERERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
15	9	Acmex	14	+1	—	—	21.3
171	64	Bougainville 50 Toea	164	–1	Q15c	1.4	5.9
139	63	BH South 50c	135	–1	—	—	—
820	150	Central Pacific	400	–30	—	—	—
336	148	Conzinc Riotinto 50c.	306	–9	‡Q10c	2.2	‡
32	19	Cultus Pacific N.L.	29	......	—	—	—
27	9½	Endeavour 20c	19½	......	—	—	—
91	45	G.M. Kalgoorlie $1.	84	–5	—	—	—
68	18	Haoma Gold N.L.	35	......	—	—	—
158	81	Hampton Areas 5p.	152¢	......	♦3.55	2.0	3.5
40	10	Metals Ex. 50c	34½	–1	—	—	—
275	125	M.I.M. Hldgs. 50c.	258	–8	†Q9c	1.7	2.2
22	10	Minefields Expl.	15	......	—	—	—
74	10	Mount Lyell 25c	68	–2	—	—	—
43¾	11¾	Newmetal 20c	26	+2	—	—	—
143	79	North B. Hill 50c	133	–6	Q8c	1.3	3.7
20	8½	Nth. Kalgurli	17½	–2½	—	—	—
50	12	Nth. West Mining	33	+1	—	—	—
178	115	Oakbridge SA1	134	–3	Q12c	1.9	5.5
42	10	Otimin N. L.	25	–1	—	—	—
102	30	Pacific Copper	92	–4	—	—	—
£15½	725	Pancont'l 25c	£10¼	+1½	—	—	—
40	12	Parmga M&Ex. 5p	23	–½	—	—	—
570	310	Peko-Wallsend 50c.	470	–8	Q15c	3.3	2.0
300	50	Southern Pacific	180	–5	—	—	—
174	84	Westn. Mining 50c	164	–4	Q3c	0.7	1.1
10	7	Westmex	9	......	—	—	—
100	35	Whim Creek 20c	65	+5	—	—	—

TINS

1978-79 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	25	......	2.81	1.3	16.8
435	240	Ayer Hitam SM1	390	–10	Q300c	0.5	26.5
60	45	Beralt Tin	52	......	4.0	♦	11.5
305	190	Berjuntai SM1	240	–10	†Q110c	1.0	10.8
185	111	Geevor	150	–5	H5.57	5.8	5.5
11	8½	Gold & Base 12½p	9	......	—	—	—
350	220	Gopeng Cons.	310xd	–5	18.0	♦	8.7
340	130	Hongkong	340	......	12.5	♦	5.5
93	64	Idris 10p	67xd	......	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	......	—	—	—
84	63	Kamunting SM0.50	76	+1	†Q12.5c	2.1	3.5
255	133	Killinghall SM1	255	......	—	—	—
470	280	Malay Dredging SM1	410	–10	Q175c	0.7	9.2
78	40	♦Pahang	47	–2	—	—	—
78	50	Pengkalen 10p	63xd	......	4.5	♦	10.7
270	165	Petaling SM1	215	–5	Q120c	1.3	12.0
87	49	Saint Piran	75	–1	†2.03	6.5	4.0
70	47	South Crofty 10p	55	–1	†4.19	2.0	11.4
245	140	South Kinta SM0.50	180	......	†Q145c	0.6	17.3
370	230	Sthn Malayan SM1	340	–10	Q190c	1.0	12.0
245	134	Sungei Besi SM1	225	–5	†mQ65c	5.3	6.2
85	55	Supreme Corp. SM1	73	–2	2Q10c	—	2.9
105	84	Tanjong 15p	105	+5	6.60	0.8	9.5
270	148	Tronoh SM1	225	–5	‡Q88c	1.6	‡

COPPER

1978-79 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
104	54	Messina R0.50	97	–3	—	—	—

MISCELLANEOUS

1978-79 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
74	35	Barymin	68	......	—	—	—
17	9	Burma Mines 17½p	12	......	—	—	—
325	165	Cons. Murch. 10c.	300	......	—	—	—
465	245	Northgate C$1	375	–10	—	—	—
284	164	R.T.Z.	276	+1	9.5	2.8	5.1
90	30	Sabina Inds. C$1	55	+2	—	—	—
£12	687	Tara Expln. $1	830	+30	—	—	—
235	120	Yukon Cons. C$1	235	......	Q7c	2.9	1.4

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1978-79 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$13⅛	–⅞	Q190c	♦	16.6
$11¼	830c	East Drie R1	$10⅝	–⅞	Q115c	♦	12.5
585c	330c	East Rand Prp. R1	420c	–10	Q10c	—	—
$28⅜	$16½	F.S. Geduld 50c	$23⅜	–⅞	Q315c	2.4	15.5
$15¼	975c	Pres. Brand 50c	$12⅝	–⅞	Q150c	3.2	13.6
$13½	900c	St. Helena R1	$13	–¼	Q190c	1.4	16.8
510c	313c	Stilfontein 50c	495c	–10	Q66c	2.5	15.4
$23¾	$16¼	Vaal Reefs 50c	$22	–1⅛	Q280c	♦	14.7
$37	$25	West Drie R1	$32⅞	–1½	†Q385c	1.7	13.7
$31¼	$19	West Hldgs. 50c	$28¼	–1¼	Q415c	1.4	16.9
$13	895c	Western Deep R2	$11⅝xd	–⅞	Q147½c	2.4	14.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ☆ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xf ex capital distribution.

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or –
Albany Inv. 20p	26	......
Ash Spinning	106	–2
Bertam	21	......
Bdg'wtr. Est. 50p	324	......
Clover Croft	28	......
Craig & Rose £1	615	......
Dyson (R. A.) A	37	+2
Ellis & McHdy.	69	......
Evered	26	......
Fife Forge	52	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	122	......
Higsons Brew.	70	......
Holt (Jos) 25p	252	......
I.O.M. Stm. £1	252	......
Pearce (C. H.)	198	......
Peel Mills	24	......
Sheffield Brick	52	......
Sheff. Refrshmt	70	......
Sindall (Wm.)	120	......

IRISH

Stock	Price	+ or –
Conv. 9% '80/82	£87⅝xd	+¼
Alliance Gas	108	......
Arnott	390	......
Carroll (P.J.)	92	......
Clondalkin	95	–2
Concrete Prods.	135	......
Heiton (Hldgs.)	64	+4
Ins. Corp.	162	......
Irish Ropes	100	......
Jacob	51	......
T.M.G.	175	–10
Unidare	88	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	20	Unilever	35
BOC Intl.	6	"Imps"	6	U.D.T.	4
B.S.R.	8	I.C.L.	40	Utd. Drapery	7½
Babcock	11	Inveresk	7	Vickers	15
Barclays Bank	25	KCA	3	Woolworths	5
Beecham	32	Ladbroke	14	**Property**	
Blue Circle	18	Legal & Gen.	14	Brit. Land	3¼
Boots	15	Lex Service	7	Cap. Counties	4½
Bowaters	14	Lloyds Bank	22	E.P.	3½
B.A.T.	24	"Lofs"	4	Intereuropean	5
Brown (J.)	33	London Brick	6	Land Secs.	16
Burton 'A'	16	Lonrho	5	MEPC	12
Cadburys	5	Lucas Inds.	25	Peachey	8
Courtaulds	10	"Mams"	12	Samuel Props.	9
Debenhams	8	Mrks. & Spncr	7	Town & City	1¼
Distillers	15	Midland Bank	25	**Oils**	
Dunlop	5	N.E.I.	12	Brit. Petroleum	45
Eagle Star	10	Nat. West. Bank	22	Burmah Oil	8
E.M.I.	14	Do. Warrants	10	Charterhall	2½
Gen. Accident	17	P & O Dfd.	7	Shell	28
Gen. Electric	18	Plessey	8	Ultramar	16
Glaxo	40	R.H.M.	5	**Mines**	
Grand Met.	7½	Rank Org.	18	Charter Cons.	12
G.U.S. 'A'	20	Reed Intnl.	12	Cons. Gold	12
Guardian	18	Spillers	3½	Rio T. Zinc	16
G.K.N.	22	Tesco	4		
Hawker Sidd.	20	Thorn	22		
House of Fraser	12	Trust Houses	£18		
		Tube Invest.	30		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday February 10 1979

MAN OF THE WEEK

Marxist but no wrecker

BY ARTHUR SMITH

DEREK ROBINSON, convenor of the 20,000 workers who walked out of BL Cars' Longbridge plant this week, is a man of contradictions — a term he often uses himself as a convinced Marxist and member of the Communist Party.

A toolmaker by training, he has spurned the elitism often associated with skilled men and gained broad-based shop floor support. Although committed to a different form of society he is not a "wrecker." Management regards him as a powerful but responsible leader. "Robinson has the authority to exert a moderating influence on what is a potentially explosive work force," according to one top executive.

Derek Robinson
"Management has broken its word."

Against such a background, "Robbo," as he is known to the men, provides that vital spark of personality and character. The son of a Black Country cane maker, he is physically imposing.

Under the glare of the TV lights he often appears nervous. But on Wednesday in front of his own workers on the snow-packed Coston Park, the traditional location for mass meetings, *Robinson was in command.* From the moment the workers began streaming out of the gates on to the park, carrying banners *and exchanging quips, there was* never any doubt about the decision. Robinson rehearsed the arguments, poked fun at management, and duly received overwhelming support for an immediate walk-out.

The scene provided a dramatic contrast with August 1977—the "We Want to Work" protest—when nearly 1,000 workers marched on the stewards office demanding Robinson's resignation. With a bravery that amazed fellow stewards, Robinson strode into the middle of an angry mob calling for his blood and argued the case. The cause of that dispute was a parity pay package similar to the one now on offer. Even though the shop floor voted by 2 to 1 for a strike, the stewards acknowledge the division and called off the action.

So what has happened to create the apparent unity this time? "The betrayal of trust," says Mr. Robinson. "We may be working people but we have a code of honesty. We entered into an agreement to shed labour, and several thousand jobs have been lost in Longbridge over the last 12 months, as the price of a pay increase. Management has broken its word."

Mr. Robinson, who has worked at Longbridge for 37 years since joining as a 14-year-old apprentice, maintains that since the appointment of Mr. Michael Edwardes as chairman of BL, confidence in management has fallen. "There is a different attitude towards working people. Management is arrogant."

But why strike and place jobs at risk? Was this an example of Robinson's temper? He chuckled: "I could hardly exert that sort of influence. Management has spelt out the risks but workers believe the cut-backs *will come anyway.* They believe Edwardes has been put in to wield the axe. Since there is no dialogue with management *we have no alternative* but to respond with the language of force."

If, as seems likely, the intention of the walk-out was more tactical than strategic—to jolt management into action and prove the stewards could still command rank and file support—it could backfire. Rather than the short, sharp stoppage for which the stewards might have hoped, they now look set for a lengthy dispute.

By last night with other BL plants voting not to support the union leaders' call for a total stoppage of all 100,000 manual workers, the Longbridge decision was looking increasingly exposed. Mr. Robinson appeared unruffled: "Attitudes are hardening and there is *a wonderful spirit among the* workers." Leadership can be lonely, even at the head of a 20,000-strong workforce.

Wholesale prices blow to Carter

BY DAVID BUCHAN IN WASHINGTON

THE CARTER Administration received the worst setback so far to its anti-inflation programme when wholesale prices shot up by 1.3 per cent in January.

The rise was the biggest monthly increase since November 1974. Beef and petrol price rises led the sharp jump. But for the first time in more than four years, all major categories in the finished goods wholesale index rose by 1 per cent or more.

The White House Press Secretary, Mr. Jody Powell, said the January figures underlined the importance of Congress holding down public spending and the budget deficit.

Mr. Alfred Kahn, the President's *inflation adviser, told* a Senate committee that the price increases last month were "obviously widespread and clearly *troublesome.*" The wholesale index is an indicator of future consumer price trends.

Mr. Kahn had been initially quoted, wrongly, his officials claimed, as calling the January figures "a catastrophe." Treasury officials, while not minimising the bad inflation news, privately commented that the Presidential adviser should guard his words more carefully.

The day before Mr. Michael Blumenthal, the Treasury Secretary, clashed with his energy cabinet colleague, Mr. James Schlesinger, whose gloomy oil forecasts this week were considered by the Treasury to have wantonly damaged the dollar on international exchanges.

The issue, therefore, of who speaks for Administration economic policy has emerged again, with Mr. Blumenthal—who thought that after earlier battles President Carter had made him the overall co-ordinator of economic policy or pronouncements—weighing in on those of his colleagues whom he feels give inadequate consideration to the ramifications of their public remarks.

The White House yesterday expressed displeasure at the exposure of the rift between the treasury and energy secretaries to the departments concerned. Earlier this week it warned officials of the National Security Council and the State Department to stop sniping at each other in the foreign policy field.

Mr. Kahn told senators yesterday that, though beef and petrol prices had been expected to rise in January, it also appeared that companies were putting into effect rather early price rises allowed under the President's price guidelines.

Nevertheless, he claimed business was taking the guidelines seriously, with about 200 of the 500 largest U.S. companies informing the council on wage and price stability that they would comply.

Stock Exchange rule book sent to court

BY NICHOLAS COLCHESTER

THE Stock Exchange rule book has been referred to the Restrictive Practices Court, the Office of Fair Trading announced yesterday.

That follows the Government's rejection of an appeal by the Stock Exchange, supported by the Bank of England, that the exchange should be put outside the scope of the Restrictive Trade Practices Act.

The Stock Exchange will have to justify the whole way in which British securities are traded. That lengthy process will culminate in a court hearing late next year or in early 1981.

In particular, the exchange will have to defend the rules that brokers charge a fixed scale of commission, that jobbers (dealers) may not act as brokers, and that brokers may not deal directly with other brokers.

Mr. Nicholas Goodison, chairman of the Stock Exchange, was dismayed that his appeal for exemption from that process had been rejected by Ministers "with virtually no consultation." He called the move "a political decision taken in too much of a hurry."

Mr. Goodison had written to Mr. Roy Hattersley, Prices Secretary, in October, asking for exemption. He was supported by Mr. Gordon Richardson, Governor of the Bank of England, who took up the matter with the Treasury.

Mr. Goodison wrote: "Our concern is that the legislation and its procedures, which have not been tested for 12 years and not at all in the field of services, should be applied to the Stock Exchange with all the incalculable consequences which can flow from the narrowness of the terms by which the court must approach its task."

The process leading to yesterday's development began in 1973, when the Fair Trading Act provided for registering restrictive practices in services.

Exemption was organised for certain trade agreements, for instance, that between the building societies, but not for the Stock Exchange. Thus, when services were included in the law in 1976, it became inevitable that the Stock Exchange would have to justify, or abandon, its rule book.

Any member of the exchange has 28 days to object to the court that he does not wish to be represented by the exchange.

Failing that, the exchange will be served a notice of reference, and will then have 14 days to announce that it wishes to contest the case. Subsequently, it will have three months in which to present the court with its first written pleading.

Chemical groups plan big price rise

By Sue Cameron, Chemicals Correspondent

THE BIG chemical companies are preparing to introduce further large price increases on many of their products following dramatic rises this week in spot market prices for naphtha, a basic petrochemical feedstock.

At the end of last week, naphtha spot prices stood at about $225 a tonne. By Thursday they were up to £275 a tonne, *while yesterday* they reached $305 a tonne. By far the larger part of the market is covered by contracts, but spot prices of this order will inevitably have an effect on lower, fixed contract prices for the second quarter of the year. First quarter contract prices are thought to be about $190 a tonne but, in the industry, it was said yesterday that they could well rise to as much as $250 a tonne in the following three months.

Imperial Chemical Industries has this week withdrawn all outstanding quotations to its customers — in other *words, those who have not* accepted ICI price quotations have now lost the opportunity to do so.

Inadequate

Shell International Chemicals *said yesterday that it* was raising its prices — particularly polymer prices—by 20 to 30 per cent. The *price rise partly reflected this* week's increases in naphtha spot prices.

The halting of all oil exports from Iran is the main reason for the sudden rise in spot naphtha prices. It has come on top of a series of increases caused by heavier demand for gasoline, which is also made from naphtha, a shortage of light crudes from which naphtha is produced in the greatest quantities and Saudi Arabia's decision to place restrictions on the export of light crudes.

State probe threatens NY insurance exchange

BY DAVID LASCELLES IN NEW YORK

A LAST MINUTE challenge has been made against New York's proposed Insurance Exchange, which, if successful would seriously delay its launch or even stop it altogether.

The challenge is from the influential insurance committee of the New York state senate, which objects to parts of the exchange's proposed constitution.

Unless these are changed, it threatens to prevent the document and enabling legislation from becoming law by challenging it before next Thursday's deadline. If the committee fails to act, the legislation will automatically pass on to the statute books on that date.

Senator John Dunne, the committee chairman said yesterday that there were four main objections "which provide the basis for considering rejection of the documents."

First, the provision that only U.S. citizens can become board members. He said: "We find this offensive. If the Insurance Exchange is to become an international market place, it is improper to say only Americans can run it. It's like saying: 'We want your money but we don't want you to tell us how to run it.'"

Second, the committee wants to extend from 45 to 150 days the period in which the exchange can be organised once the laws are passed.

Third, Mr. Dunne said he believed the exchange's security fund should be organised more along Lloyd's lines, where members have unlimited liability. Under the proposed New York constitution members' liability is limited to the capital they put up, meaning, Mr. Dunne said, that the exchange would lack a "credible security system."

Fourth, composition of the *governing board should* be altered to reduce influence of members elected by the exchange's syndicates.

The Senate Insurance Committee conveyed its objections, and proposed changes to Governor Hugh Carey of New York and Mr. Albert Lewis, state insurance superintendent, as well as the Constitution Drafting Committee, two weeks ago.

Mr. Dunne said it had had no satisfactory reply since. "We believe these points should be corrected before the legislation goes through."

British Steel 'faces big fight' at Corby

BY CHRISTIAN TYLER AND ROY HODSON

BRITISH STEEL Corporation faces a big fight in trying to close iron and steelmaking at Corby, Mr. Bill Sirs, chairman of the TUC steel industry committee said last night.

Although the unions have yet to take stock of BSC's decision, spelled out to the workforce yesterday, they are setting up what Mr. Sirs called a "mini TUC steel committee" at the works to liaise with the national unions.

The closure is the biggest rationalisation of iron and steel production yet attempted by the corporation. That became clear yesterday when union officials were given the details. More than 7,000 jobs are at risk—5,500 from the plant, and, according to the unions, another 2,000 from local industries dependent on it.

Meanwhile, workers at the other threatened plant, Bilston in Staffordshire, were yesterday interpreting as "hopeful" BSC's decision to give one-year's notice of compulsory shut down on March 8 unless closure had been voluntarily negotiated by then.

They are using the breathing space to press for a public inquiry under an independent chairman to hear the cases of both sides. This idea was rejected by BSC on Thursday.

Mr. Dennis Turner, leader of the action committee, said the 2,300 workers would abide by the decision of an inquiry.

Mr. Sirs said the executive of his union, the Iron and Steel Trades' Confederation, might reach a final decision on whether to fight the Bilston closure in two weeks. He was writing to Viscount Etienne Davignon, the EEC Commissioner, to ask for Community funds for a Q-BOP steelmaking vessel—a technology relatively untried in the UK—to replace Bilston's obsolete open-hearth furnaces.

The Corby action committee said last night the men would not be prepared to make tubes from steel brought in from outsid.

British Steel is proposing to send steel from Teesside to Corby and claims it will save £40m a year by the operation even after transport costs are taken into account.

Mr. Bill Holmwood, local organiser of the Iron and Steel Trades' Confederation expressed the defiant mood of the Corby workers last night after they had been told of the proposals.

"There is no chance of us consulting with BSC on this one," he said. "If *they attempt* to bring in steel we will stop it."

An inter-union committee is *to look at the possibility* of forming a workers' co-operative to take over the iron and steelmaking section of Corby plant which is at risk.

Feelings are running high in the town (population 56,000) which is dominated by the steelworks. Sir Geoffrey de Freitas, Corby's Labour MP will speak at a meeting in the town today and a campaign to fight the proposed *cuts will be discussed.*

News Analysis—Page 3

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Heavy selling of gilts

ments, was at the upper end of market expectations and means that over the first 10 months of the financial year central government borrowing was £6.33bn, compared with £2.74bn in the same period of 1977-78.

The latest figures provide some reassurance that the public sector borrowing requirement for 1978-79 may not be significantly different from last November's forecast of £8bn.

There has been a change in the pattern of borrowing this year, with central government borrowing likely to exceed that for the whole public sector, since nationalised industries and local authorities have been net repayers of debt.

In contrast to earlier in the financial year, consolidated fund revenue has now more or less caught up with the Budget projection of a 10 per cent rise over the whole of 1978-79.

Continued from Page 1

Water workers

works delegate conferences to consider the offer on Wednesday.

Elsewhere among public service workers, unions warned yesterday that all ambulance services might handle only emergency calls from Tuesday week, when ambulance staff shop stewards from all four public services unions meet in London to decide the next move in their campaign.

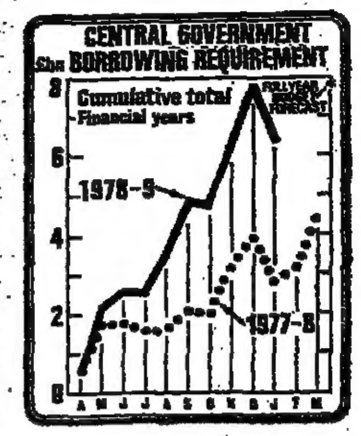
Industrial action by members of the National Union of Public Employees in Scotland and Wales threatens to prevent the devolution referendum going ahead on March 1.

In North Wales, *school caretakers* voted yesterday to close schools to prevent their being used as polling stations, while their counterparts in Scotland have asked the union's executiev council for permission to do the same.

THE LEX COLUMN

When the leaders are lagging

Index rose 1.8 to 450.7



A late rally in the equity market yesterday left the F.T. 30-Share Index just on the right side of 450, but the week's loss of *16.6 points was still the worst* since last October. Equity prices have been following the lead of gilt-edged and edging *downwards under pressure from* rising inflation and interest rates—but only with considerable reluctance. Blue chip *shares are giving a slightly* misleading impression here, for the second liners have been achieving considerable relative strength in recent months. So whereas the 30-Share Index has fallen by 16 per cent from its 1978 high, reached on September 14, the *All-Share* index (with 750 constituents) has dropped only 9 per cent from the all-time peak reached on the same day.

So far this year the F.T. Government Securities Index has fallen 5.7 per cent, the 30-Share by 4.3 per cent. But the F.T.-Actuaries Industrial Group Index, which contains a wide spread of second liners, has lost only about 2 per cent, while the All-Share Index—boosted by the strongly performing banks and oils—has just about maintained its end-1978 level.

The big investment institutions remain flush with cash—though some has gone into the gilt-edged market this week—and they are reluctant to sell equities for fear of being unable to get back in again at the bottom of the market. This applies especially to the second line stocks where many institutions have been laboriously building up stakes in thin markets. Any selling pressure—and it has been modest—*is disproportionately affecting the* leaders.

So far, company news has remained fairly positive (the market ignored a vaguely worded ICI warning on the impact of the haulage strike this week) and the dividend rise of a tenth from Imperial Group was important in sustaining confidence.

Still, there is a key group of high yielding industrial blue chips in the 30-Share Index, including Courtaulds, Dunlop, EMI, Guest Keen, P and O and Turner and Newall, which return between 10 and 14 per cent. There must be a danger that a squeeze on the corporate sector would cause companies like these to follow the example of Tate and Lyle and cut their *dividends*—in which case many smaller companies might follow suit. But for quoted companies as a whole dividends have shown *growth of around* 12½ per cent over the last year, and the market is unlikely to crack seriously while dividend declarations continue to improve at this sort of pace.

Yet conditions are tricky for companies planning take-overs or issues. Take Rank Organisation, for instance, which launched a rights issue at 225p on January 24 when its price was 261p net of the final dividend. Now the price is down to 227p, making the underwriters look vulnerable.

Alcan (UK)

Alcan (UK) has paid its promised dividend, but the trading climate in its first year as an independently listed company has been very rough indeed. Profits have slumped from a peak £24.7m to £11m pre-tax, and on a current cost basis there is a small *loss.*

The main feature has been aggressive import competition, triggered by high stock levels and the weakness of the dollar. Alcan reckons that importers increased their share of the UK market for rolled products from a third to nearly two-fifths over the year. Its realised prices were down by 5 per cent or more for most of the period. In addition, Alcan has been rationalising its fabricating activities, at a cost to profits of maybe £2m. And its primary output was hit by equipment failures and poor productivity at the Lynemouth smelter during the final quarter, partly as a result of labour difficulties.

The prospects for this year are more rosy. Ingot stocks in *the free-world* have fallen back towards more normal levels, and output generally is rising towards effective capacity. Alcan *expects to be close to its production* ceiling by the end of the first quarter, and suggests that production is likely to be more of a constraint than demand in the international market over the next five years. Meanwhile, its realised prices are rising close to the listed-price level which was increased by 8 per cent last autumn.

Capital spending on semi-fabricating equipment is now rising substantially, and Alcan is confident of its ability to finance this without help from its Canadian parent. Short term trends in profits are obviously volatile, but a yield of 10 per cent at 148p could have appeal for the long haul.

Gilt-edged

When the long tap was declared exhausted yesterday morning it was not unnatural for the gilt-edged market to fear that it had been cleared out of the way *only* in order *to be replaced* immediately. There was widespread relief when no new stock was announced, and the market managed to close about ½ point higher, helped by the news that £1.3bn of Government borrowing had been repaid in calendar January.

Net sales of the two taps—the short tap was also supplied this morning—probably to over £400m on Thursday and Friday together. So there is no immediate pressure on the Government broker to get more funding done quickly, particularly as the repayment of Government borrowing, like the tap sales, should have had some *favourable impact on the money* supply in the banking month to mid-February. The very high yields on short-dated stocks *should prevent the downward* drift in long yields that the absence of a tap might otherwise provoke. The market ends this week steady *at low levels* with some chance of finding real stability, but it is unlikely to remain untapped for long.

Caledonian Holdings

The offer of 80p a share from London and Midland Industrials is "clearly derisory" according to the Board of Caledonian Holdings. Inevitably, in putting forward a vigorous defence Caledonian further increases the blushes of Stenhouse Holdings, which sold the company to the public for just 65p a share last month. What Stenhouse did not realise was the extent of the fashionable appeal of the home improvement division, which nearly trebled profits in the first quarter and has *the bidders clustering like flies.*

Weather

UK TODAY

RAIN, sleet or snow in central and southern England and *Wales. Dry with sunny spells* in north.

London, E. Anglia, S. England, Midlands, Wales

Cloudy with rain or sleet, turning to snow on high ground. Max. 3C (37F).

E., N. England, Isle of Man, Lakes, N. Ireland

Cloudy, mostly dry. Max. 3C (37F).

Channel Islands

Cloudy, occasional rain. Max. 6C (43F).

Borders, Scotland, Scottish Islands

Mostly dry, sunny spells. Max. 3C (37F).

Outlook: Mostly dry and cold with night frosts. Rain or snow in England and Wales.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	16	59	London	C	4	39
Algiers	S	27	81	Los Ang.	C	18	64
Amsdm.	F	2	36	Luxmbg.	C	−1	30
Athens	S	14	57	Luxor	S	28	82
Barclna.	C	16	61	Madrid	F	16	61
Belfast	F	3	37	Majorca	F	19	66
Belgrd.	F	5	41	Malaga	C	21	70
Berlin	C	1	34	Malta	F	18	64
Biarritz	C	18	64	M'chstr.	C	2	36
Bmghm.	C	1	34	Melbne.	S	29	84
Blackpl.	F	3	37	Milan	C	5	41
Bordx.	F	15	59	Mntreal	S	−20	4
Bristol	C	2	36	Moscow	Sn	−8	18
Brussels	C	0	32	Munich	R	−1	30
Budpst.	F	4	39	Nairobi	R	24	75
B. Aires	S	27	81	Naples	C	13	55
Cairo	S	20	68	Nwcstl.	C	3	37
Cardiff	R	1	34	N. York	S	−6	21
Cas'b'ca	F	22	72	Nice	C	14	57
Cape T.	S	24	75	Nicosia	R	15	59
Cologne	C	0	32	Oslo	S	1	34
Conhgn.	F	1	34	Paris	C	4	39
Corfu	F	14	57	Perth	S	32	90
Dublin	C	3	37	Prague	S	1	34
Dbrvnk.	C	11	52	Reykjvk.	C	1	34
Ednbgh.	C	2	36	Rhodes	F	15	59
Florence	R	10	50	Rio J'o	S	30	86
Frankft.	Sn	0	32	Rome	C	16	61
Funchal	C	19	66	Salzbrg.	C	0	32
Geneva	C	11	52	Singapr.	S	28	83
Gibrltr.	C	18	64	Stckhlm	S	−5	23
Glasgow	C	2	36	Sydney	C	25	77
G'rnsey	Fg	6	43	Tangier	F	21	70
Helsinki	Sn	−8	18	Tehran	S	6	43
H. Kong	S	19	66	Tel Aviv	C	14	57
Innsbrk.	C	4	39	Tenerife	S	21	70
Invrnss.	C	0	32	Tokyo	S	8	47
L. Man.	F	3	37	Toronto	S	−22	−8
Istanbul	C	6	43	Tunis	F	23	73
Jersey	Fg	7	45	Valencia	S	21	70
Jo'burg	S	25	77	Venice	R	6	43
L. Plms.	F	21	70	Vienna	C	1	34
Lisbon	R	13	55	Warsaw	S	−1	30
Locarno	C	7	45	Zurich	C	6	43

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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